

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, THURSDAY, MAY 9, 1974

Established 1887

Russia Is Cooler With E. Germans After Brandt Fall

By Hedrick Smith

MOSCOW, May 8 (NYT).—The Soviet leadership made a show of solidarity with East Germany today in the wake of the toppling of the West German Chancellor Willy Brandt by a scandal involving espionage. But there were signs that Moscow is not entirely in sympathy with East Germany over the affair.

Pravda and other Soviet newspapers gave conspicuous front-page coverage to a message from the Soviet leaders to the East German leaders on the 29th anniversary of the victory over the Nazis in World War II and ran articles aimed at showing that East-West German relations were not affected by Mr. Brandt's resignation.

Brandt Says Spies Invaded His Privacy

By Craig R. Whitney

BONN, May 8 (NYT).—Willy Brandt, who resigned as West German chancellor Monday night, said today that he had been "grossely" invaded by the spy apparatus of the Federal Republic of Germany.

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Watergate Draft Report Said to Link Mitchell to Break-In

WASHINGTON, May 8 (AP).—A staff of the Senate Watergate committee says the weight of the evidence tends to establish that Mitchell did approve the Liddy intelligence plan with a quarter-million-dollar budget in Key Biscayne on March 30, 1972, the draft report said.



Alabama Gov. George Wallace is backed by victory sign from wife, Cornelia, in primary.

Four States Go to Polls Glenn and Wallace Win Primaries

NEW YORK, May 8 (AP).—Former astronaut John Glenn Jr. won the Democratic nomination for senator from Ohio on his third try, and Alabama Gov. George Wallace won nomination for an unprecedented third term in state primary elections yesterday.

Candidates for three Senate seats, two governorships and more than 50 House seats were chosen as Alabama, Ohio, Indiana and North Carolina held primaries for the November midterm elections.

Voters in the District of Columbia, meanwhile, gave overwhelming approval to a charter that restores a measure of self-government to the nation's capital for the first time in a century.



John Glenn kisses his wife, Annie, after winning the Democratic primary for U.S. Senate in state of Ohio.

National Rail Strike in India Disrupts Passengers, Freight

By Bernard Weinraub

NEW DELHI, May 8 (NYT).—A national railroad strike caused major passenger and freight disruptions in India today.

Although union leaders welcomed the "magnificent response" of railroaders to the strike call, government officials pointed out that the walkout had halted on its first full day to cripple the transport system.

Trudeau Government Falls in 137-123 Vote

Allied Party Defects Over Budget Plans

OTTAWA, May 8 (AP).—The opposition Liberal Party of Canada today defeated the Trudeau government in a vote on the budget and on the motion that the government had been defeated on the floor of the House.



Canadian Prime Minister Pierre Elliott Trudeau.

Nasser's Confiscations Voided by Cairo Court

By Henry Tanner

CAIRO, May 8 (NYT).—The Egyptian court of appeals today ruled that the confiscation of citizens' property under the late President Gamal Abdel Nasser was illegal and must be reversed.

The three-man State Council handed down its verdict yesterday in a suit brought against the government by Farid Abou Shady, a prominent lawyer. Scores of similar suits are pending in the courts.

Gain Is Seen As Kissinger Shuttles On

TEL AVIV, May 8 (AP).—U.S. Secretary of State Henry Kissinger returned to Israel today for further negotiations after talks in Damascus.

Simon Becomes Head of Treasury

WASHINGTON, May 8 (AP).—William Simon, praised by President Nixon as the man who saw the country through the energy crisis, was sworn in today as secretary of the Treasury.

Belfast Says IRA Uses Children in Attacks

BELFAST, May 8 (AP).—Northern Ireland's administration today attacked the Irish Republican Army for what it called the "cowardly and despicable" use of children to throw gasoline bombs at British troops.

Unnamed Donor Helps End British Strike

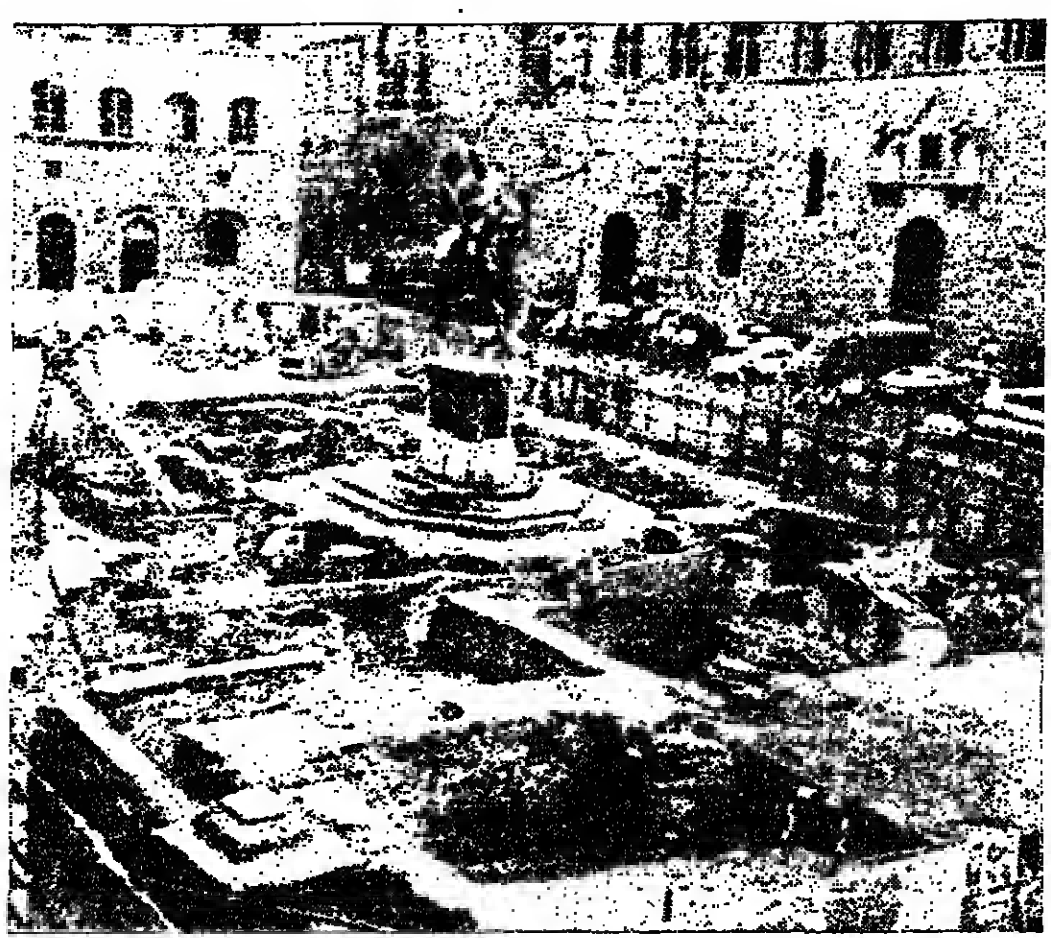
By Terry Robards

LONDON, May 8 (NYT).—A nationwide strike by one of Britain's largest trade unions was settled today when a lawyer appeared in court and paid \$50,000 (about \$150,000) on behalf of an anonymous donor to help end the labor organization.

Pays \$65,000 in Union Fines, Damages

By Terry Robards

LONDON, May 8 (NYT).—A nationwide strike by one of Britain's largest trade unions was settled today when a lawyer appeared in court and paid \$65,000 (about \$165,000) on behalf of an anonymous donor to help end the labor organization.



BOTTOMS UP—Excavations in the Piazza della Signoria, Florence, surround the statue of Cosimo I. Archaeologists believe the ruins were Roman public buildings.

Grigorenko Begins 6th Year in Mental Wards

Ex-General—Symbol of Soviet Dissent



Pyotr Grigorenko

By Christopher S. Wren

MOSCOW, May 8 (NYT)—When in May, 1969, a blunt-spoken former general in the Red Army tried to defend a group of Crimean Tatars charged in Tashkent with anti-Soviet activity, he was arrested, ruled insane and put in a mental hospital.

After five years in psychiatric wards, Pyotr Grigorenko remains the dominant figure in a continuing controversy over the use of Soviet mental hospitals to punish dissenters.

Most recently, on April 4, according to his wife, Zinaida, and son Yevgeny, a severe heart attack suffered by the patient induced his doctors to write to Moscow psychiatric authorities asking that Gen. Grigorenko be sent home because of his failing health. Now a month later, Mrs. Grigorenko said, they have apparently received no reply.

"As a sane man confined in mental hospitals, sometimes

alongside criminal lunatics, for five years, he has still maintained his spirits," Mrs. Grigorenko told Western newsmen in issuing a statement marking yesterday's anniversary of her husband's incarceration. "But after the heart attack, we are afraid he might die in the hospital."

International expectations of Gen. Grigorenko's release were raised last fall after two Western psychiatrists sought to interview him at the hospital where he is held, at Skolobova, 35 miles south of Moscow. It was understood that in the near future he would be found sane and released. But his status has not changed, although his case comes up for review every six months.

Gen. Grigorenko is at the center of an issue that is vigorously disputed between the Soviet government and the small dissident movement here. Soviet authorities angrily deny that the mental hospitals are used to punish political critics. But dissidents as prominent as the exiled writer Alexander Solzhenitsyn and the physicist Andrei Sakharov have just as vehemently insisted that the abuse does exist.

Lesser activists who have spoken out against the practice—such as Vladimir Bukovsky, who has recently mounted a hunger strike during his 12-year sentence to prison and exile for anti-Soviet agitation—have often been severely dealt with.

The dissidents consider indefinite incarceration in a mental hospital far worse than a definite sentence in a labor camp. In addition to Gen. Grigorenko, dissidents being held in psychiatric facilities include Leonid Plyushch and the Russian mathematician Yuri Shkharov.

(Before falling into disfavor in the early 1960s for civil rights activities and protests against Soviet leaders' cults, Gen. Grigorenko had an unblemished record. He had risen to the rank of major general in World War II, in which he participated in campaigns against the Germans, and he won the Order of Lenin.

Order of the Red Star and Order of the Red Flag. After the war he headed the technical department of the Soviet Ministry of Defense. His anti-Stalinist writings brought him removal from that post. He was broken in the rank of private and sent to the Chinese frontier.)

Bonn Approves Envoy Appointed By East Germany

BONN, May 8 (Reuters)—West Germany took another formal step toward normalizing relations with East Germany on the day Chancellor Willy Brandt out over the East German spy scandal, it was stated here yesterday.

A West German government spokesman said Bonn had accepted the appointment of Michael Kohl as East Germany's first permanent representative here.

The exchange of permanent envoys held up by the discovery of an East German agent in Mr. Brandt's immediate entourage last week, is a major follow-up to the "good neighbor" accord that Bonn and East Berlin signed in December, 1972.

Mr. Kohl was chief East German negotiator of that pact, which envisaged the establishment of permanent missions—virtual embassies—in Bonn and East Berlin.

Because of the spy scandal, West Germany last week canceled talks with East Germany on the appointment of a West German representative.

A Look at the Chancellor Who Agreed to Play Counterspy

By John Le Carre

The writer, who wrote this article for *The New York Times*, is also the author of "The Spy Who Came in From the Cold" and the forthcoming "Tinker Tailor Soldier Spy."

LONDON (NYT)—Half a nightmare haunts the affair of Guenter Guillaume, the East German spy found on the staff of Willy Brandt. If it turns out to be real, it will show us the ultimate limit of our own espionage madness. The other half has come true already.

When did the chancellor, who resigned over the affair Monday, know how much? We may ourselves never know the answer to this riddle. We have already been told a bunch of half-truths, which it is worth remembering are also half-lies, and all the signs are that as with Watergate, as with Elm Philby and other spy scandals, we shall be fed more half-truths in reluctant spoonfuls, on the assumption—probably correct—that we would choke if we got it all in one dollop.

For the public is too young, in the eyes of those who govern us, to enjoy confidences that in the case of Mr. Guillaume, who "defected" to West Germany 18 years ago, have long been the property of our undemocratic enemies.

I am English, Harold Wilson is my prime minister, Richard Nixon is my President, and now that Britain has been dragged kicking and screaming into the Common Market Mr. Brandt, whether I like it or not, was my chancellor. It so happens, I liked it. I respond, in common with many other of his admirers, instinctively to his emotional honesty, his patent striving for good and his big-heartedness.

New Alliances

And if the new alliances are to mean anything, we share not only one another's responsibilities but one another's leaders too. I need not be blamed too much, then, for being a little bit obsessive about Mr. Brandt divided his energies.

When did Mr. Brandt know how much? President Nixon has been having a tough time with that question for two years now.

Like the espionage professionals who advised him, Mr. Brandt must be of two minds about which answer he prefers. On the one hand, the professionals, who long to be taken for magic-makers, would dearly like us to believe they were playing cat-and-mouse with Mr. Guillaume for the best part of a year. But in that case how do the professionals explain away their spendthrift generosity with Mr. Brandt's secrets? More important still, how far was Mr. Brandt in on the game? When did he know how much?

Mr. Brandt's present position is opaque. He half knew for

eight months, since he was warned in June, 1973. He wholly knew for two when the federal prosecutor was advised. It is this half-knowledge that gives wing to my half-nightmare: Was Mr. Brandt playing the role of half an agent, or a whole one?

Even by the second standard, the two-month stint—Mr. Brandt's assertion, added to those made on his behalf by the interior minister, Hans-Dietrich Genscher—paints a bizarre picture.

In the interest of national security—we have as much from the former chancellor's own lips—the elected leader of Europe's most influential country was recruited by his own agents to string along a suspected spy to keep him in play, and Mr. Brandt agreed.

From then on, Mr. Brandt became an agent provocateur, in the sense that he was pretending to keep open his heart to Mr. Guillaume and thus encouraging him in further criminal acts. The office of chancellor, in the jargon of the trade, became a cover job, in the sense that the chancellor's work, where it came within Mr. Guillaume's observation, was subject to operational requirements.

It is also clear that until Mr. Brandt knew that Mr. Guillaume was under suspicion, Mr. Brandt trusted him. Conceivably he trusted him after these suspicions were reported to him: Mr. Brandt was elected chancellor for his heart as well as his head. He is the natural enemy of secret, bureaucratic persecution, just as he is the natural enemy of deceit.

Half Nightmare

But it is unfortunately this very human loyalty, precisely this big-heartedness, that weighs so heavily in the construction of that half-nightmare in the back of my mind. I am trying to imagine you see, the crippling strain of this extra burden of duplicity upon a chancellor already fully engaged in resolving the crucial issues of his career. And I am trying to guess by what authority it was imposed on him. I am trying to understand the meaning of "national security" in the context of this case. Was it for two months that he bore the strain, or ten? When did Mr. Brandt know how much?

That he was disgusted, we know. His disgust was manifest in his statement to the Bundestag—a very natural reaction in a man who had been deeply deceived by a trusted, favored colleague, and who deceived him deeply in return. Nor is it too fanciful to suggest that Mr. Brandt's disgust was in part directed against himself.

There are many strange side-effects that attend a long period of duplicity, and the history of that decade suggests that not even the toughest are immune. Some times, I understand, a dependence

Brandt States Spy Scandal Reached Into His Private Life

(Continued from Page 1)

important classified materials, including secret messages, during a vacation in Norway last summer. Mr. Guillaume served as an aide-de-camp, monitoring a and his communications between the chancellor's retreat and Bonn.

Exactly what Mr. Brandt was alluding to in his private life, references was not clear. However, Mr. Brandt, like many figures in German public life, may have committed indiscretions and detailed knowledge of some of these may have figured somehow in Mr. Guillaume's case.

Some of Mr. Brandt's party friends charge that the security services passed this information along to the leaders of the conservative Christian Democratic opposition. Those leaders denied today, through a spokesman, that they were leading a "campaign of persecution" against the former chancellor.

The Social Democrats have nominated the 55-year-old finance minister and party deputy chairman, Helmut Schmidt, to succeed Mr. Brandt and the Bundestag will almost certainly elect him chancellor May 16.

Mr. Schmidt began private soundings today on forming a new cabinet, together with members of the junior partner in the coalition, the Free Democratic party.

Meanwhile, Horst Ehmke, the former minister of research and technology, who was director of Mr. Brandt's chancellery office in 1970, when Mr. Guillaume was given a job on the staff, has asked Mr. Schmidt not to consider him in the formation of his cabinet.

The stock exchanges and money markets in Frankfurt reacted

SPANIARDS ON ANAPURNA
KATMANDU, Nepal, May 8 (AP)—The Spanish Himalayan expedition has conquered the main Annapurna peak in northern Nepal, the Foreign Ministry announced here yesterday. Three members of the nine-man team reached the 26,545-foot peak April 29.

Side Effects of Brandt's Burden

develops upon the person one deceives, much as may occur between an erring husband and a loyal wife. In the company of the quarry one suffers all the pains of love and hate: elation, revulsion, gratitude, anxiety, triumph. Under the strain of dissembling, such a scale of emotions can both stimulate and depress. Sometimes separation becomes unbearable, sometimes indispensable.

Tough as Nails

Mr. Brandt may be tough as nails, but in this situation he was an amateur though controlled by professionals, while his quarry, if the story is to be accepted,

had some two decades of field service to his credit.

It is a situation one would hesitate to wish on any novice, even one who had no other commitments or worries, whereas Mr. Brandt had both. Was it for two months that he lived like this? Or ten?

Seen in this light, his resignation only compounds the mystery. If he was warned ten months ago, and declined to heed the warning, then his resignation and his role as an agent over the last two months may be seen as acts of expiation for sins of omission: "I ignored the warning. I will pay the price," he may have thought.

Certainly his letter of resignation, claiming full responsibility for the affair, bears out this interpretation. Until we know more, we can try on such theories in clothes, and, to a point, any of them fit.

But I prefer to see his resignation slightly differently: as an act of an utterly depressed man returning from a double life, a detached, and unable any longer to face the nobler man he is behind.

Lonely Places

Coming home from very long places, all of us go a little mad. Whether from great personal success or just an all-night drive we are the sole survivors of a world no one else has ever seen. Mr. Brandt's resignation has the same ring of loneliness and alienation. He and he alone knows where he has been, and his external effect, his resignation threatens to return his country to the era of political stagnation from which he tried to lead it.

Once Mr. Brandt had taken on the job he was stuck with it, of course. What promised to be a week might become months, or the best part of a year. For however long, when it came to acting the thing on there was no half-measure. In casual intimacies that are common in any private office he continues. No one who has the smallest ship could give the way away must be told. No one is parently was.

It was up to Mr. Brandt alone to raise a light of welcome in his eye as Mr. Guillaume enters his room, to adjust the smile at one, never too much, never a little. "And your wife is we Guillaume?"

"Thank you, sir."

Closed Door

And it was Mr. Brandt alone, presumably, who stared with disgust at his own closed door wondering if the professional he seen through the amateur performance. That Mr. Brandt evidently succeeded in the marathon does him credit.

By what extraordinary piece of advocacy he was persuaded to end this immeasurable burden, his other cases of office? An who decided—apart from his intelligence advisers, who after a had a professional investment in the operation—that Mr. Guillaume constituted a greater threat to national security than did the emotional hazards that Mr. Brandt so heroically withstood?

And who if not Mr. Brandt himself decided that the score of his office and his independence of spirit were less account—at a time when the entire Eastern policy was in a balance—than the machinations of the most discredited professor of his day?

And for two months, or ten? Half a nightmare, or whole one?

Secret Weapon

In short, how did it happen that Mr. Brandt, like President Nixon, decided to become his own secret weapon? What is it, wonders almost in despair, about this murky palace guard of professional spies that again a again draws our Western statesmen into questionable ventures?

Mr. Brandt's case is sad, poignant and noble. There he was at a lifetime's fight for peace negotiating his treasured East policy, pacifying party strife, suffering harsh criticism from his closest friends. His allies, France, Britain and the United States, for different reasons lay in pieces on floor.

Yet somehow in the middle of it all, the professionals went to their service. Did he, Mr. Guillaume, some bitter spy of hopelessness or reconciliation? Of placing one's trust anyone on the political board? "My friends are false."

Was this the mood in which he agreed to collaborate? Did he see in the person of Mr. Guillaume one last lonely duty to a country, one that by its betrayal and clear cause amid much confusion?

The Call

We only know that, when call came, that distinguished servant of his country was ever, ready to answer it. When did it come? When did Brandt know how much?

Whether a whole nightmare, or shall most likely know. Or else by the time we, we shall be a different action no longer able to apply lessons.

It is only a personal view. I devoutly hope that when Guillaume finally takes that trod one-way walk down Glienicker Bridge, or when the grubby exchange takes place he will be accompanied by ever had the astonishing pertinence to recruit a few chancellors and a holder of Nobel Peace Prize to his side. Once across the bridge, should keep walking down that "territory" where the statesman, whose they exist subordinate to their officials Guillaume will show him the



IN FRIENDLIER TIMES—Willy Brandt, left, strolls with Guenter Guillaume—the aide who was a spy for East Germany—in Bonn last September.

Schmidt a Versatile Politician With a Style Unlike Brandt's

By David Binder

WASHINGTON, May 8 (NYT)—I asked him for his friendship and he refused," Helmut Schmidt said last year of Willy Brandt, recalling an encounter more than 15 years ago at a Social Democratic party convention.

The incident illuminated the difference between the two German leaders.

"For Brandt, with his Scandinavian experience, friendship is something that grows naturally and doesn't require any formal declarations," a diplomat once observed. "For Schmidt, with his purely German background, friendship is something that has to be sealed with a bond."

Although both Mr. Brandt and Mr. Schmidt like to talk publicly of one colleague or another as *mein Freund*, neither is rich in private friendships. Mr. Brandt because of profound reserve, Mr. Schmidt because of pugnacity.

Yet in spite of their disparities in political style, the two men managed to work closely in and out of government for almost two decades.

At the age of 55, Mr. Schmidt has proved himself as the Social Democratic parliamentary floor leader from 1967 to 1969, defense minister from 1969 to 1972 and since then as finance minister.

He is a versatile politician whose diligence—usually involving an 18-hour day—determination and willingness to take expert advice have enabled him to perform credibly in a wide variety of assignments.

When he came to Washington last March to wrap up a \$2.3-billion agreement for West German payments to offset the cost of stationing U.S. troops in West

Battle of the Bulge

World War II found him in an anti-aircraft artillery battalion. He served on the Russian front and toward the end of the war in the Battle of the Bulge or the Western front. He was decorated with an Iron Cross. The British took him prisoner at the end of the war.

It was more or less natural for Mr. Schmidt to join the Social Democratic party in Hamburg, a city ruled by the Social Democrats almost without interruption since the war. He became the first national chairman of the Socialist Students League in 1947, a time when the party still held to Marxist tenets. Mr. Schmidt's latter-day conservatism is taken ill by young West German student radicals who feel he has abandoned the convictions of his youth.

But he is very much his own man in a country where mentor-disciple relationships are still plentiful and hierarchical thinking has not vanished.

Mr. Schmidt, joined the newly formed Bundeswehr (federal army) as a reserve officer in 1957 when Social Democrats were still inveighing against the rearming of Germany, and he has never exercised restraint in criticizing what he considered to be the excesses of West Germany's radical left. His outspoken manner—he is not afraid to correct an American's English or a German's German—won him the nickname Schmidt-Schmause (Schmidt the slip) when he became a Bundestag deputy in 1963.

Wary of being in the opposition in Bonn, he returned to Hamburg in 1961 to take over the city-state's Department of Interior.

He returned to Bonn as a federal deputy in 1965, which it seemed that Mr. Brandt, who had just lost his second national election, might relinquish their party's candidacy for the chancellorship. But Mr. Brandt decided to run again and Mr. Schmidt was relegated to the understudy role.

Lisbon Junta Says It Holds 800 Former Secret Police

From Wire Dispatches

LISBON, May 8—The Portuguese military junta announced today that about 800 members of the former secret police organization are under arrest.

At a press conference, the junta spokesman said he did not know how many were still at large or where they were. But many of them have been widely reported by the press here to have fled to Spain.

The junta also confirmed that it had deposed President Amaro Thomaz, former Premier Marcello Caetano and two other former ministers. Silva Cunha and Moreira Baptista, were being detained in the government palace in Funchal, capital of the Atlantic island of Madeira.

In addition, the junta announced that Gen. Alberto de Andrade e Silva, the former army minister, and his under secretary, Col. Carlos Viana de Lemos, were being held in Lisbon military headquarters. The arrest of all the former ministers was announced by junta officials shortly after the April 25 coup, but first reports

said that they were all in Funchal. Meanwhile, in decrees aimed at protecting the economy and preventing the flight of accumulated wealth, the military regime today put restrictions on Portugal's imports and exports.

It formed a "Control Commission for External Commerce," under the Ministry of Finance, which will have the power to curtail the importing of goods deemed unnecessary and luxurious, including automobiles, liquor and furs.

At the same time, the junta decreed that precious metals, antiques, art objects and expensive jewelry can be exported from Portugal only with government approval. Violators will face up to eight years in prison, the junta said.

The list of luxury imports included lockers, champagne, whiskey, perfumes, furs, carpets, shoes, jewelry, watches, suits and dresses and ceramic items. Many of these, especially ceramics, are manufactured in Portugal, which indicated that the law also had a protectionist purpose.

9 Convenient Holiday Inns in Benelux.

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Sees Nixon Position Weakened

Ford Fears Watergate's Effect on SALT

By Robert Shogan

WASHINGTON, May 8. — Vice President Ford says that he is concerned that the impact of the Watergate scandal on President Nixon's Strategic Arms Limitation

talks made his feelings about what he evidently sees as the most disturbing aspect of Watergate, in an informal

conversation with a small group of journalists returning with him by airplane from a speech he made to the economic club in New York Monday.

Mr. Ford stressed his continued confidence in and admiration for Secretary of State Henry Kissinger, whom he characterized as a "genius." He said he is still hopeful that Mr. Kissinger can reach a satisfactory agreement with the Russians which, Mr.

Ford added, Mr. Nixon could then "exploit" politically.

But the Vice-President indicated he is worried that Mr. Nixon may lack the political prestige to persuade Congress to increase spending on defense research and development if the Russians balk at making disarmament concessions.

Under No Pressure

Under these circumstances, Mr. Ford speculated, the Russians may conclude they are under no pressure to give ground to the United States.

The White House, however, promptly rejected the implication that Watergate has weakened Mr. Nixon's ability to negotiate with the Soviet Union.

While saying that his remarks were not directed at the Vice-President, Deputy Press Secretary Gerald Warren told newsmen, "So that there is no misunderstanding the President never approaches any negotiation from a position of weakness, and he will not approach this summit planned for June in Moscow from a position of weakness."

This was the first time the Vice-President had talked so openly about his trepidations over the difficulties facing Mr. Nixon.

The Vice-President initiated the conversation, coming forward from his private compartment to the section of the plane where reporters were seated. His manner was relaxed; he had his jacket off.

Because of the informal atmosphere, the five journalists, representing the Los Angeles Times, the three commercial television networks and the Voice of America, did not take notes during the 30-minute chat. When the plane landed at Andrews Air Force Base near here, they reconstructed the conversation from memory and agreed to omit from their stories comments which the Vice-President had labeled off the record.

But Mr. Ford and his staff were evidently taken by surprise when they learned yesterday afternoon that stories based on the plane conversation would be published and broadcast.

Mr. Ford then issued a brief statement, giving his version of the conversation on the plane, which put the blame for potential diplomatic problems on Congress rather than on Mr. Nixon's weakened position.

"... In the present Watergate climate, any votes by the Congress to cripple the defense budget or commitments to our allies make it more difficult for the President to negotiate for peace," the statement said. "We need and want a sound strategic arms limitation agreement with the Soviet Union. The best way to get a satisfactory agreement is to maintain the military strength of the United States, which contributes a principal part of our diplomatic clout."

"Every vote by the Congress to undercut either our military posture or our credibility with our allies makes the President's task of negotiating agreement that much more difficult."

Nixon Asks Raise For U.S. Officials

WASHINGTON, May 8 (Reuters). — President Nixon yesterday asked Congress for salary increases for the national government's top civil servants.

The recent rejection by the Congress of higher salaries for the executive, legislative and judicial branches has created a problem within the government that needs to be quickly remedied, the President said in a message. Most of the top civil servants are paid the same salary—\$36,000 a year.



DINING ROOM—Skana, the killer whale at Vancouver Public Aquarium, British Columbia, comes up for a feeding. She eats more than 120 pounds of fish daily.

Despite Nixon Refusal

Doar, Jaworski to Press Drive for Tapes

By Robert Siner

WASHINGTON, May 8 (UPI). — The campaign to force the release of further Watergate-related tapes will be pressed on two fronts, the special Watergate prosecutor and the chief counsel for the House Judiciary Committee indicated today.

Chief counsel John Doar told newsmen that the committee does not have all the material it needs for its inquiry and should issue a subpoena for what it lacks.

Earlier in the day, U.S. District Court Judge John Sirica announced that the President's chief Watergate attorney, James St. Clair, and special prosecutor Leon Jaworski, visited the court this morning to formally advise Judge Sirica that the President intends to pursue his motion to quash the special prosecutor's subpoena to him and that the special prosecutor will continue his efforts to enforce compliance with the subpoena.

Judge Sirica set a meeting with all attorneys participating in the case, for Friday in preparation for oral arguments scheduled for Monday.

Last month, Mr. Jaworski subpoenaed tapes of 64 presidential conversations. Yesterday, following a series of fruitless attempts to reach some agreement with the special prosecutor, Mr. St. Clair announced that attempts to compromise on the material had been ended and that the President would fight the subpoena to the Supreme Court if necessary.

The Judiciary Committee, meantime, had issued its own subpoena for tapes of 42 White House conversations. In addition, it had requested material relating to 76 other meetings between the President and his top aides.

Mr. Nixon last week released edited transcripts of some of the tapes of conversations subpoenaed by the committee, but has insisted that the tapes themselves would not be forthcoming.

The committee, splitting along party lines, voted 18 to 15 to send a letter to the President advising him that the partial transcripts did not constitute compliance with the subpoena.

In his statement today, Mr. Doar urged the committee to act on a subpoena for the material relating to the additional 76 conversations which have been requested before it starts receiving evidence gathered by the committee staff. The hearing of evi-

dence is set to begin in closed session tomorrow. Closed sessions also were scheduled for next Tuesday, Wednesday and Thursday. An aide indicated there may be televised hearings the following week.

In the initial session, Mr. Doar is expected to present a detailed "statement of facts" bearing on President Nixon's conduct prior to and after the Watergate break-in.

Committee members will be equipped with headphones to listen to acquired tapes of conversations involving the President, and top aides.

However, Chairman Peter Rodino, D-N.J., told newsmen that no meeting to consider a subpoena had been called and indicated that nothing would be done before next week.

Rep. Rodino and ranking minority member Edward Hutchinson of Michigan have repeatedly expressed the desire to avoid a confrontation with the President.

Rep. Rodino has said that if the President did not comply with the requests for materials, "We will go on with the material we do have."

Mr. Doar said that he favored a subpoena because that is "a

breakthrough in the way to proceed."

But to the House Judiciary Committee, the President's refusal to comply with the committee subpoena is a declaration that he would support a move to declare the President in contempt of Congress and force him to testify before the committee.

At the White House, Deputy Press Secretary Gerald Warren, when asked to comment on a statement by Sen. Barry Goldwater, R-Ariz., to the effect that Mr. Nixon should resign if he is unattached, replied: "We have made it clear that the President's position is and there is no reconsideration. We don't believe the President will be impeached and there is no reconsideration of his resignation."

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Nixon Seeks 'New Thrusts' For Last '1,000 Days' of Term

By Carroll Kilpatrick

WASHINGTON, May 8 (UPI). — President Nixon has directed cabinet officers to come forward with programs affecting all areas of government policy during the last "1,000 days" of his administration.

At the President's direction, Roy Ash, director of the Office of Management and Budget, has sent a letter to all cabinet officers calling for "new thrusts" in domestic policy. The letter used the phrase "1,000 days" in referring to the remainder of the President's term.

Part of the emphasis is on economic policy, because of the administration's concern over inflation and high interest rates. The President wants a series of "new and imaginative" proposals, officials who have seen the Ash letter said. An OMB official acknowledged the existence of the directive but would not make it public.

The President conferred with Mr. Ash and other economic advisers yesterday in what was described as the first of several meetings to determine what the government should do to combat inflation.

The President has called on his advisers for "a reassessment to see whether any new policy steps can be taken," an official said.

One of the areas of concern—the sluggish housing industry—was discussed in preparation of action the President has promised this week to stimulate housing starts.



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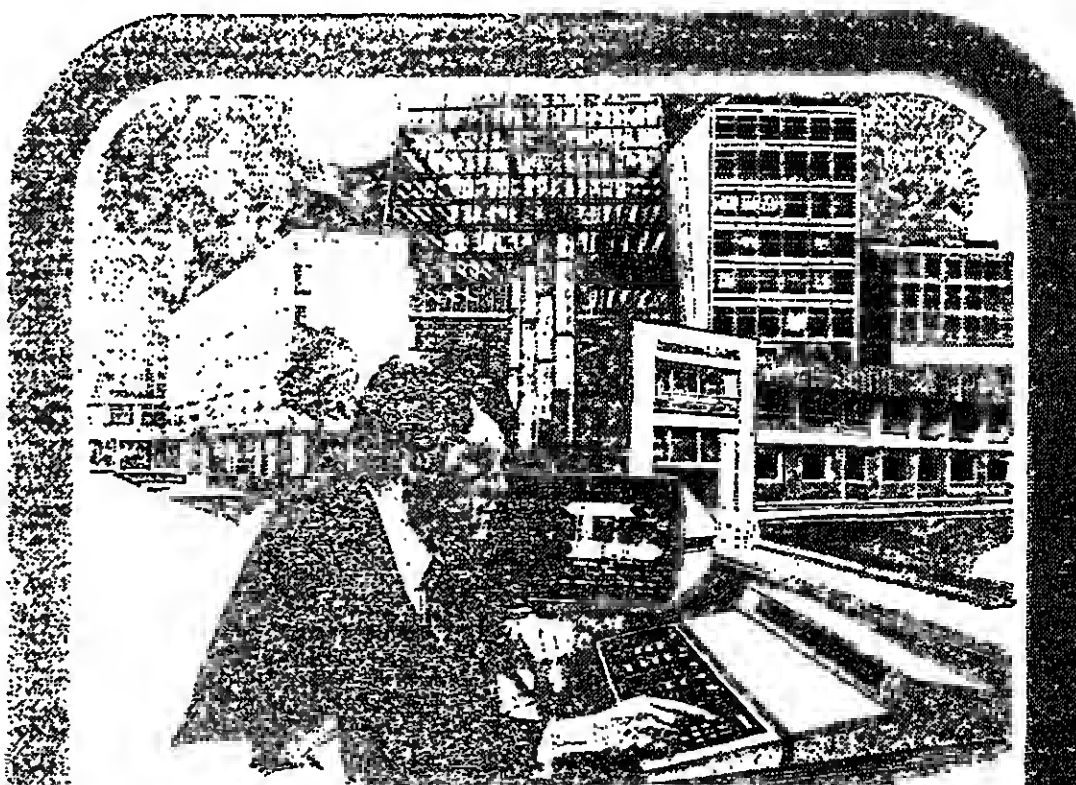
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16 Die in Bus Crash

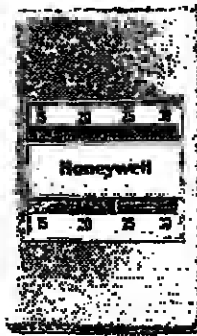
BOULIA, Algeria, May 8 (AP). — A crowded bus plunged into a ravine near here today, killing 16 of the passengers and injuring numerous others.



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Fred Iten, European Marketing Director, Commercial Division

Aff Report
ites Mitchell
n Watergate

Continued from Page 1

justification on national grounds could be found the burglary of the office of psychiatrist of Daniel Ellsberg.

regarding the role of former House domestic affairs advisor John Ehrlichman, the report said. The committee finds it difficult to accept Ehrlichman's claim that the Ellsberg burglary was not carried out by his express knowledge and authorization.

The report included a 169-page unit of the Watergate break-in cover-up, but specifically did not mention any possible involvement by President Nixon.

The committee sources who the report said it included six recommendations, most of which directly or indirectly aimed at bringing "abuses" of presidential power.

A special prosecutor would have the power to investigate the distribution of government documents and agencies to decide if they were under undue influence from the White House.

Other major recommendations include making illegal any White House investigative unit. The report said this would prohibit future White House "plumb operations."

The proposal would put under law-enforcement jurisdiction any crime that involved a White House investigation. This would allow the FBI to investigate election law violations such as illegal campaign contributions of rationals.

The sources said reference to the president's activities was purely left out of the report because of possible conflicts with House Judiciary Committee's impeachment investigation. The sources said the full committee would reconsider inserting that material in the report when made public May 28.

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Primaries
In 4 States

(Continued from Page 1)

Elvin McCary in November as he seeks to lay the groundwork for another presidential bid in 1976 despite the partial paralysis resulting from the attempt to assassinate him in 1972.

Democratic Sen. James B. Allen, a Wallace ally, easily won his bid for re-election in Alabama and is unopposed in November for a second six-year term.

In North Carolina, Attorney General Robert Morgan defeated five other candidates to win the Democratic nomination for the U.S. Senate seat now held by Sen. Sam Ervin Jr., who is retiring. With 99.8 percent of the 2,303 precincts reporting, Mr. Morgan had 232,678 votes, or 50.49 percent. He needed 50 percent of the vote to avoid a June 4 runoff.

Former Rep. Nick Callicanakis was second with 186,710 votes, or 33.21 percent. Henry Hall Wilson, a former White House aide and past president of the Chicago Board of Trade, was third with 66,424 votes, or 14.44 percent.

State Rep. William Stevens, a furniture manufacturer and brother-in-law of Rep. James Brodyhill, R-N.C., won the GOP primary.

Democratic Reps. L.H. Fountain and David Henderson were unopposed both yesterday and in November. Other North Carolina House members also won re-election.

In Indiana, all 11 House members won re-election, as did all those who sought new terms in Ohio.

In the capital, passage of the home-rule charter means a mayor and City Council will be elected in November. Congress will retain control over the city's budget.

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Democrats Study
Watergate Policy

WASHINGTON, May 8 (AP). — Democratic National Chairman Frank S. Strauss announced today that the party will hold a fund-raising telethon in June but said the party is undecided on how the telethon participants should deal with the son of presidential impeachment.

Strauss said at a press conference that party leaders decided weeks ago to avoid discussing President Nixon's Watergate crimes and the impeachment in the House.

"We're rethinking that," he said, adding that a decision will be made within three weeks. Mr. Strauss said he was sure that should be done.



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Obituaries

Samuel Wylie, 55, Episcopal Bishop, Ecumenical Leader

NEW YORK, May 8 (NYT).—The Right Rev. Samuel J. Wylie, 55, Episcopal bishop of Northern Michigan and former dean of the General Theological Seminary here, died yesterday in his sleep at the seminary, where he had delivered a lecture.

Bishop Wylie was one of four churchmen nominated in 1968 for bishop of New York, but he withdrew, explaining that "my work here [at the seminary] isn't finished, and this is where I belong." He was elected to the Michigan post in 1971.

Since 1966, he had been dean of the seminary, where he was encouraging the ecumenical movement, liturgical reform and theological renewal in an attempt to make doctrine clear to the laity. It was in 1971 that the New York Theological Institute began its ecumenical teaching role under his chairmanship. It was described at the time as a "cluster" seminary, with faculty drawn from Roman Catholic and Protestant groups.

Mrs. Vera Davis
DOVER, Del., May 8 (NYT).—Mrs. Vera G. Davis, 79, a women's political rights advocate, died Monday at a nursing home here.

She joined the women's suffrage movement in 1919, and became the first woman to clerk in the State House of Representatives in 1927, a state senator in 1946, and in 1949 president pro tempore of the State Senate.

Francis J. O'Malley
SOUTH BEND, Ind., May 8

(AP)—Prof. Francis J. O'Malley, 62, an English professor at the University of Notre Dame for 41 years, died yesterday.

Gen. Mikhail Kalashnik
MOSCOW, May 8 (UPI).—Col. Gen. Mikhail Kalashnik, 71, an official of the Defense Ministry, died Monday, the army newspaper Krasnaya Zvezda said today. He took part in the Berlin campaign in World War II and later held political posts with the occupation forces in Germany.

Angel Sagaz
WASHINGTON, May 8 (UPI).—Angel Sagaz, 61, the Spanish ambassador to the United States since 1972, died Monday at the Hospital Nacional el Nerval in Jaen, Spain. He had flown there from Washington April 19 after spending a week at Walter Reed Hospital, where he was under treatment for cancer.

Fred W. Kelly
MEDFORD, Ore., May 8 (UPI).—Fred W. Kelly, 82, a 1912 Olympic gold medal winner and an aviation pioneer, died today in a nursing home here. He won the Olympic 110-meter hurdles in Stockholm. He served in the Army in World War I. Mr. Kelly was refused for combat duty in World War II, but trained pilots for the Army and flew ferry service.



UPLIFTING—Workers in Salina, Kan., haul Tony Sanchez to safety from a 25-foot-deep sewage pit. A metal shaft had fallen into the pit, where he was working, and had knocked him unconscious.

Karpov, Spassky Adjourn 10th Game

LENINGRAD, May 8 (UPI).—Anatoly Karpov and Boris Spassky today adjourned after the 10th game of their world chess championship match.

The 22-year-old Karpov, playing black, leads the series 3-1, with five draws. He needs only one more victory to oust former

world champion Spassky from the tournament and advance to the finals to meet Soviet grand master Viktor Korchnoi for the right to play world champion Bobby Fischer.

Korchnoi advanced to the finals earlier when Tigran Petrosian withdrew because of continued illness.

Peking Lists 5 Kinds of 'Restorationists'

TOKYO, May 8 (AP).—After millions of words of generalizations during recent months, China announced yesterday five categories of "revisionist restorationists" who are the targets of the national campaign against followers of Lin Biao and Confucius.

Hsinhua press agency, monitored in Tokyo, said that the categories were drawn up by the criticism group of Peking and Tsinghua Universities in an article contributed to the newspaper Peking People's Daily.

The criticism group named no names, but said the offenders were "the most decadent and reactionary social forces." It said they were the "social foundation" of the late Defense Minister Lin Biao's alleged plot against the life of Chairman Mao Tse-tung in 1971.

The tone of the article suggested that the anti-Lin Biao, anti-Confucius campaign is moving toward a showdown against specific individuals in the Chinese cultural and educational establishment.

It said that Lin Biao, Mr. Mao's onetime heir-designate and the loudest pro-Mao voice in the 1966-69 Cultural Revolution, in fact opposed the cultural purge all the way.

It added that "a handful of present-day devotees of Confucius who have extreme hatred for social change and progress" continues to attack the Cultural Revolution and its objectives.

Five categories
"Investigation into their personal records reveals that some were backbone elements of the Kuomintang and its youth

Seen as 'Decadent' Social Force

Cambodia Planes Hit Rebel Units, Foe Said to Gain

PHNOM PENH, May 8 (AP).—Cambodian Air Force T-28 fighters carried out heavy raids against Khmer Rouge positions in three parts of the country, the military command reported today.

The planes attacked targets on the southwest coast, at the besieged Longvek base, 25 miles north of the capital, and near the town of Prey Veng, 30 miles east of Phnom Penh, the command said.

Meanwhile, an army source said that insurgents overran the last two government positions on a 20-mile stretch of the highway leading east from Kompong Som, Cambodia's chief port city.

One attack reportedly drove 200 government troops from a village 17 miles east of Kompong Som. Another position, at Prey Nop, a few miles farther east, was overrun in a three-day attack, the source said.

In South Vietnam, government infantrymen and armored cavalry clashed with Communist forces yesterday along the Cambodian border 50 miles southwest of Saigon, a military communiqué said.

It said that 165 North Vietnamese and Viet Cong were killed in three battles north and south of Moc Hoa and 14 prisoners taken. Government casualties were put at seven dead and 64 wounded.

The Soviet Union has contested the official Soviet press agency, Tass, charged that Peking is "playing into the hands of imperialist circles in the West" by raising concern about Moscow's intentions in the Indian Ocean.

The Soviet charge, the latest against Peking on foreign policy matters, coincides with an emotional campaign being waged here for the return of a Soviet border helicopter and crew held by the Chinese for nearly two months.

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Cyclists Race, Beat Commuter Train in U.S.

LAKE GENEVA, W.V., May 8 (AP).—Amateur bicyclists challenged a commuter train to a race. The cyclists won.

The race was from Lake Geneva over a 21-mile stretch where, because of poor track conditions, the Chicago & North Western Transportation Co. has limited its diesel trains to a 15-mile-an-hour crawl.

Seven cyclists covered the distance in an hour and 25 minutes and beat the train by 10 minutes. An eighth cyclist lost in the rain.

Commuters have been reeling over the train's delay which lengthens the 71-mile train trip from Chicago to Lake Geneva in 120 hours and 43 minutes. An 18½ time-table shows that the trip then by wood-burning train took half an hour less.

Russia Says China Distorts Soviet Aims in Indian Ocean

MOSCOW, May 8 (NYT).—The Soviet Union today reiterated its right to dispatch ships into the Indian Ocean and accused China of misrepresenting the Soviet naval presence in an effort to create anti-Soviet sentiment in the area.

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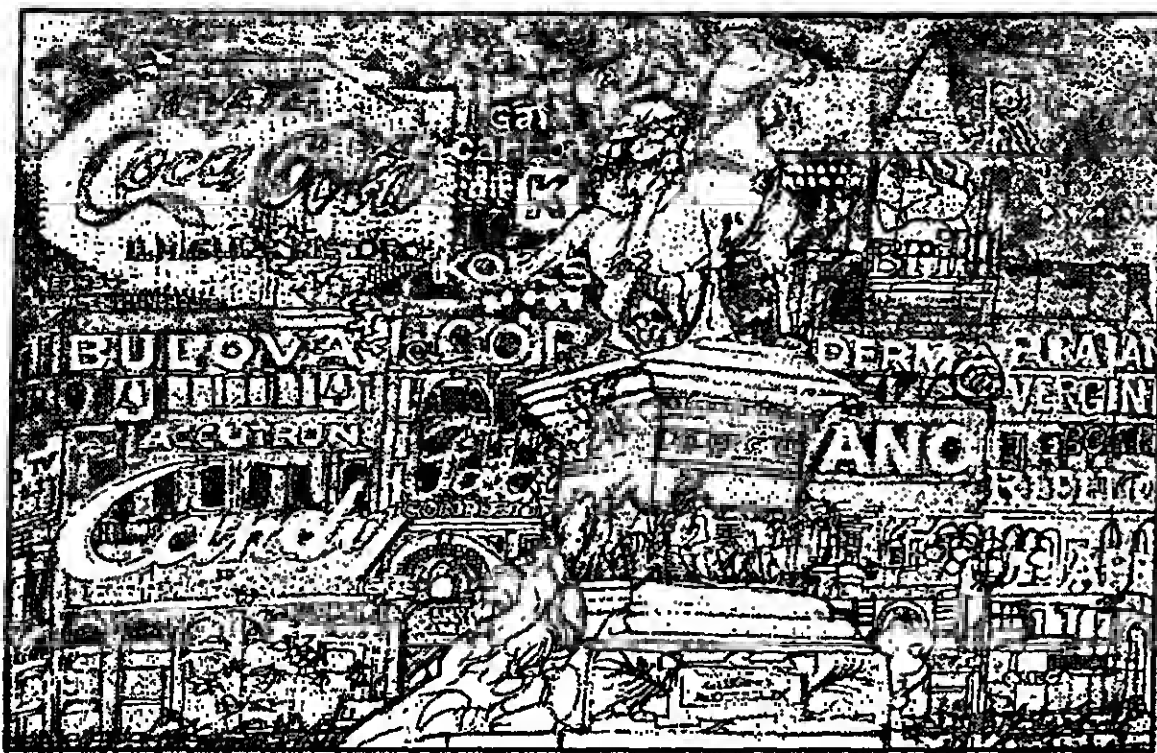
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Nation With a 'Split Personality'

Leaders Reflect Turkey's Identity Search

By Steven V. Roberts

ISTANBUL, May 8 (AP)—To mark the 50th anniversary of the Turkish Republic, the city recently put up a statue of a nude man in a prominent public square and called it "Guzel Istanbul" (Beautiful Istanbul).

The work was termed indecent by the deputy premier of Turkey, Seyit Onen, who said it should be removed to a less conspicuous spot.

Newspapers thought the matter was very amusing, and one printed a large front-page picture of a hermaphrodite, messily dressed statue with the face of the deputy premier superimposed, and captioned it "Guzel Erbakan."

The controversy illustrated a conflict that goes to the roots of Turkish life. It is a conflict between East and West, past and present, secularism and nationalism. Turkey has long been an

anomaly, with its toe in Europe and its body in Asia. The only Moslem country in NATO, it is a nation still searching for its purpose and place.

Central Reforms
When Kemal Ataturk founded the modern republic in 1923, one of his central reforms was to destroy the political power wielded for centuries by Moslem leaders under the Ottoman Empire. He even banned all political appeals based on religious themes.

For the last 50 years, Turkish politics has been dominated by a broad conservative coalition. But that alliance has now splintered, and for the elections, last fall, Mr. Erbakan, an engineer by training, formed a new faction, the National Salvation Party.

In his campaign, Mr. Erbakan skirted the law by advocating a return to religious fundamentals. Most experts were stunned when the Salvation party won 49 of 450 places in the National Assembly.

After months of trying, and failing, to work out another coalition, the leftist-oriented Republican People's Party was forced to take the Salvationists into the government. Despite some similarities in their views on economics, Premier Bulent Ecevit and his deputy are known by some people here as "the odd couple."

'Moral Lessons'

Since taking office in February, Mr. Erbakan has sounded like a mixture of Alabama Gov. George Wallace and Col. Moammar Qaddafi, the Libyan leader. He recently led a high-level delegation to Saudi Arabia, seeking aid for Turkey and proclaiming the virtues of Moslem brotherhood. At home, he has urged that all students be given "moral lessons" in school, and has attacked tour-

ism and foreign investment for "polluting" the country.

If Mr. Erbakan is an embarrasing joke to some Turks, others consider him a dangerous reactionary. As a diplomat said tartly: "He wants to give the people mosques instead of jobs."

"I take Erbakan as a warning," said Oguz Seren, an editor of Turcumen, a leading Istanbul daily. "We thought that the social reforms Ataturk brought by force had been fulfilled, but now we realize some of them were only on the surface. These feelings were buried and lying somewhere in Anatolia, and Erbakan just dug them out."

Premier Ecevit is not so concerned. "In a rapidly changing society such as Turkey," he explained, "many people find themselves in moral and material adjustments. And in such periods the psychological necessity for taking refuge in traditional values and religious feelings becomes very dominant. We must not be afraid of this tendency. We must take it as natural."

Two Faces

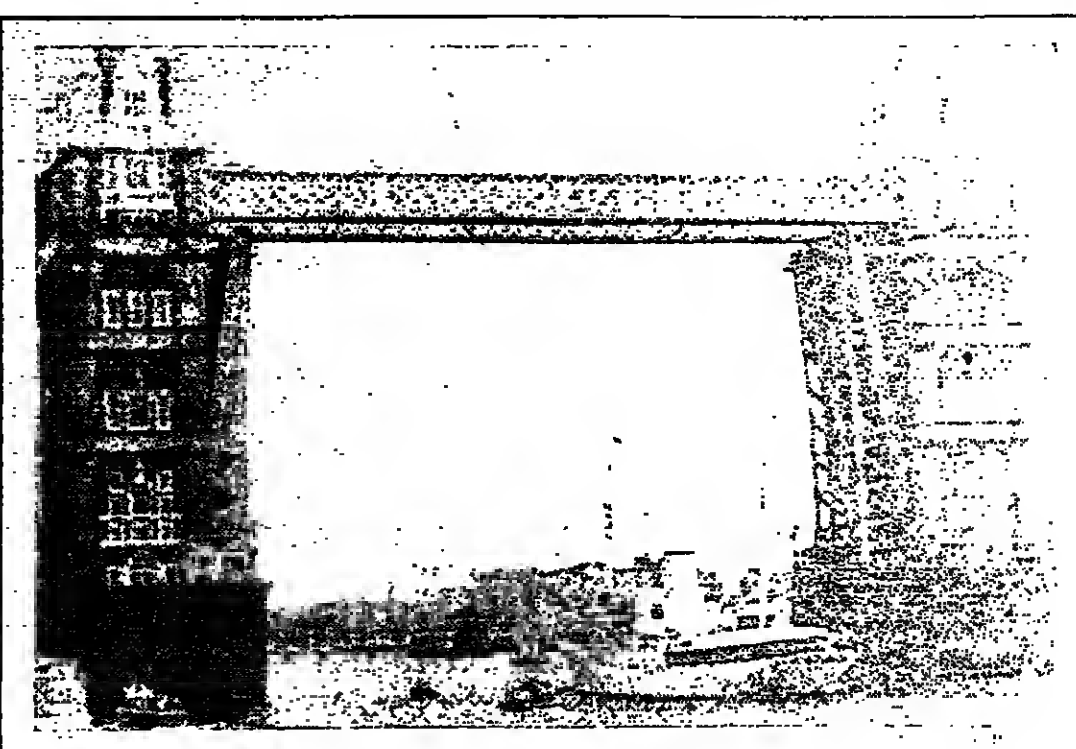
Whatever the explanation, Turkey does have a "split personality," and one can sense the two faces of this land by walking the streets of Istanbul, itself a city divided between two continents. New hotels tower over ancient mosques. French Renaults made in Turkey vie with horse carts on the bridge across the Golden Horn.

On the top floor of a modern hotel, a discoball blares out American rock music. But in Taksim Square, only a few blocks away, a crowd gathers around two men, one playing a large, well-worn drum, the other a patched-up horn looking something like a clarinet. As the wailing, insistent music swells, about a dozen men join hands. Slowly, almost somberly, they begin to dance the dances of their fathers.

Turkish Oil Bid Seen Behind Greek Warning

SALONIKA, Greece, May 8 (Reuters).—Greek Premier Adamantios Androuloupoulos, in an apparent reference to his country's dispute with Turkey over oil rights in the Aegean, warned today that Greece would if necessary defend its territory "decisively and very effectively."

Addressing a rally at Salonika University, he said that Greece relies on international law to solve its external disputes in the framework of sincere peace and cooperation. "But he cautioned: 'If need be, Greece will defend decisively and very effectively the integrity of Greek space against anyone threatening it. We do not threaten other nations.'



OUTBOUND—The Royal Danish yacht Dannebrog carries Queen Margrethe and Prince Henrik past the Tower Bridge after the royal couple's state visit to Britain.

Rome Paper Struck in Move Linked to Divorce Referendum

ROME, May 8 (AP)—Newsman today struck Il Messaggero, Rome's largest daily, claiming that the newspaper had been sold in order to soften its firm pro-divorce position. Italians will vote Sunday and Monday in a referendum over repeal of the divorce law.

Messaggero journalists, who are known to hold left-of-center views, said that industrialists aligned with the Christian Democratic party had purchased 50 percent of the newspaper's shares from Alessandro Perrone, executive editor of the daily. The other 50 percent was sold to a conservative Milan magazine publisher last year.

Mr. Perrone denied that he had sold his half interest in the newspaper, and said, "No sale would be concluded without a full guarantee to safeguard the paper's democratic and anti-Fascist editorial policies."

The statements by both Mr. Perrone and the journalists were carried on Messaggero's front page. A committee of Messaggero journalists charged that Amintore Fanfani, secretary-general of the Catholic Church-backed Christian Democratic party, was behind the purchase. It said that Mr. Fanfani acted through industrialists who include Edilio Rusconi, the Milan publisher who previously bought the other 50 percent of the newspaper's shares.

Anti-Divorce Position

According to the journalists' committee, the sale was concluded today, just four days before the start of the referendum on Italy's three-year-old divorce law so as to reflect the anti-divorce position of the Christian Democratic party.

The duration of the strike was not announced, but it was expected to last at least through the referendum to prevent a possible change in the paper's editorial policy before the voting. Il Messaggero, with a circulation of about 300,000, has been the center of a controversy since Ferdinand Perrone, a cousin of Alessandro, sold his half interest to Mr. Rusconi. The latter tried to replace Alessandro Perrone as executive editor with author-politician Luigi Barzini.

Alessandro Perrone resisted the change in a series of court battles.

Bonn Army Wins War on Long Hair

KOBLENZ, West Germany, May 8 (UPI).—A military regulation forbidding soldiers to wear hair below their collars is constitutional and in the public interest, a state court of appeals has ruled. The Koblenz judges issued their verdict in a suit brought by an army conscript who said orders that he cut his long hair "violates my constitutional right to freely develop my personality."

The appeals court ruled that the right to freely develop one's personality is limited by the constitutional order, which includes the need for military defense. Soldiers wearing long hair are subject to accidents and otherwise hindered in performing their duties, the court said.

Japanese House Votes for Aviation Pact With China

TOKYO, May 8 (AP)—The Japanese House of Representatives today approved a pact with China for the joint development of civil aviation.

Approval of the pact, which calls for the joint development of civil aviation, was a surprise move by the Liberal Democratic party government.

Representatives of the ruling party as well as the Socialist and Communist opposition spoke in favor of the pact. There was some criticism of the pact for failing to mention the link with Taiwan which forged a new link with Peking and Shanghai.

Taiwan cut off all air traffic to or through its air defense zone by Japan Air Lines and stopped service to Tokyo by Taiwan's China Air Lines after the signing of the Japan-China air pact on April 29.

Direct air traffic between Japan and China is expected to begin this fall.

Pentagon Faces 2-Month Halt In Vietnam Aid

WASHINGTON, May 8 (AP)—The Pentagon has spent all of its allotted military aid money for South Vietnam, forcing revision or cancellation of some military contracts and a likely suspension of U.S. military help for the Saigon government for the next two months.

While Pentagon officials were stalling in the Senate's rejection of a request for \$266 million in additional military aid for South Vietnam, they are even more worried that Congress will make cuts in the Vietnam aid budget for the coming fiscal year.

In a surprising and successful effort led by Sen. Edward M. Kennedy, D-Mass., the Senate voted 49 to 38 Monday to limit U.S. aid to Vietnam to a previously established \$1.2-billion ceiling.

The vote caused Secretary of Defense James Schlesinger to order a series of emergency meetings to decide how to react.

Pentagon sources indicated that American shipments to Saigon would be held up through the end of the fiscal year to remain in compliance with the Senate cutoff.

U.S. Youth-Job Plan Getting Start-Up Fund

WASHINGTON, May 8 (AP)—The Nixon administration is making available \$8.4 million to help communities arrange for jobs for 700,000 economically disadvantaged youths.

The money is part of \$300 million earmarked by the administration for the job program, designed to subsidize jobs for teen-agers over a nine-week period this summer. The \$8.4 million will enable Manpower Administration offices to provide start-up funds for program sponsors.

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League of Women Voters Decides To Admit Men as Full Members

SAN FRANCISCO, May 8 (AP)—The League of Women Voters, which previously had admitted men only as associate members, has decided to give them full voting membership. But it will retain the "women" in its title.

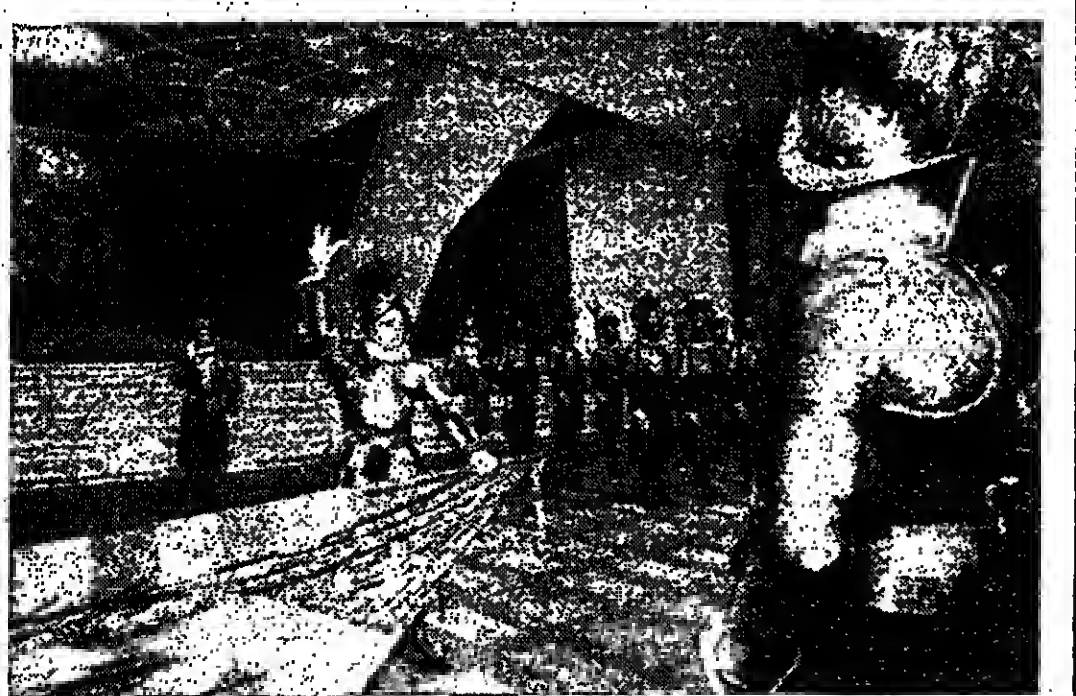
By a delegate vote of 994 to 433, only 23 more than the required two-thirds majority, the 160,000-member league yesterday gave men full voting rights.

"Most of us are well accustomed to dealing with men in the kitchen, on the dance floor, at the gasoline station and in the bedroom," said Betsy Johnson, of Worcester, Mass. "But how many of us know how to persuade men to our point of view on the political plane? Working with men inside the league will contribute to our political effectiveness."

When the vote was announced, most of the 1,400 delegates to the league's national convention stood and cheered.

"I'm not certain men are ready for the league, but I feel the league is ready for men," said president Lucy Benson, of Amherst, Mass. She had a membership check from the first man to become a voting member—her husband, Bruce.

The league's male suffrage caucus had handed out pamphlets saying, "The League of Women Voters cannot continue to demand the passage of the equal-rights amendment to the U.S. Constitution and not give the vote to men."



ALLEGIANCE—A new member of the Swiss Guard takes the oath to serve Pope Paul VI during a ceremony for recruits in the general audience hall of the Vatican.

Catalan Rebels Said To Claim Kidnap Role

BARCELONA, May 8 (AP)—A Catalan anarchist group today claimed responsibility for the kidnapping of a Spanish banker in Paris and said it would release him in exchange for two jailed anarchists, according to reports here.

Angel Baltazar Suarez, 43, the head of the Paris branch of the bank of Bilbao, was kidnapped from his suburban Paris home. The two anarchists, said to be Jose Oriol Solé and Jose Luis Jober, are accused of belonging to the outlawed Iberian Liberation Movement, one of the most active anti-government groups.

Burma Rebels Kill 25

RANGOON, May 8 (Reuters).—Tebel forces shooting from the air killed 25 passengers aboard a Salween River boat and injured 2. Burma's official Vanguard newspaper said today.

Hearst Offers \$50,000 for Daughter

SAN FRANCISCO, May 8 (UPI).—Mr. and Mrs. Randolph Hearst today offered a \$50,000 reward for information leading to the safe return of their kidnapped daughter, Patricia.

The reward was the first offered in the case, which began Feb. 4 after the 20-year-old newspaper heiress was abducted from her Berkeley, Calif., apartment.

Mr. Hearst, president and editor of the San Francisco Examiner, said the reward money has been deposited in a bank account and will be paid to the person or persons providing authorities with information leading to Miss Hearst's safe return to her parents' home.

In a related development, San Francisco Mayor Joseph Alioto confirmed reports that police believe the Symbionese Liberation Army abductors of Miss Hearst were considering kidnapping one

King's Ransom

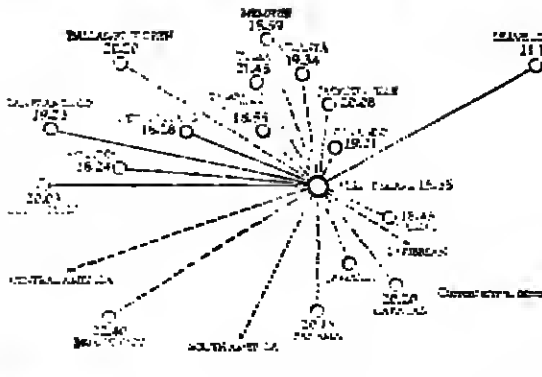
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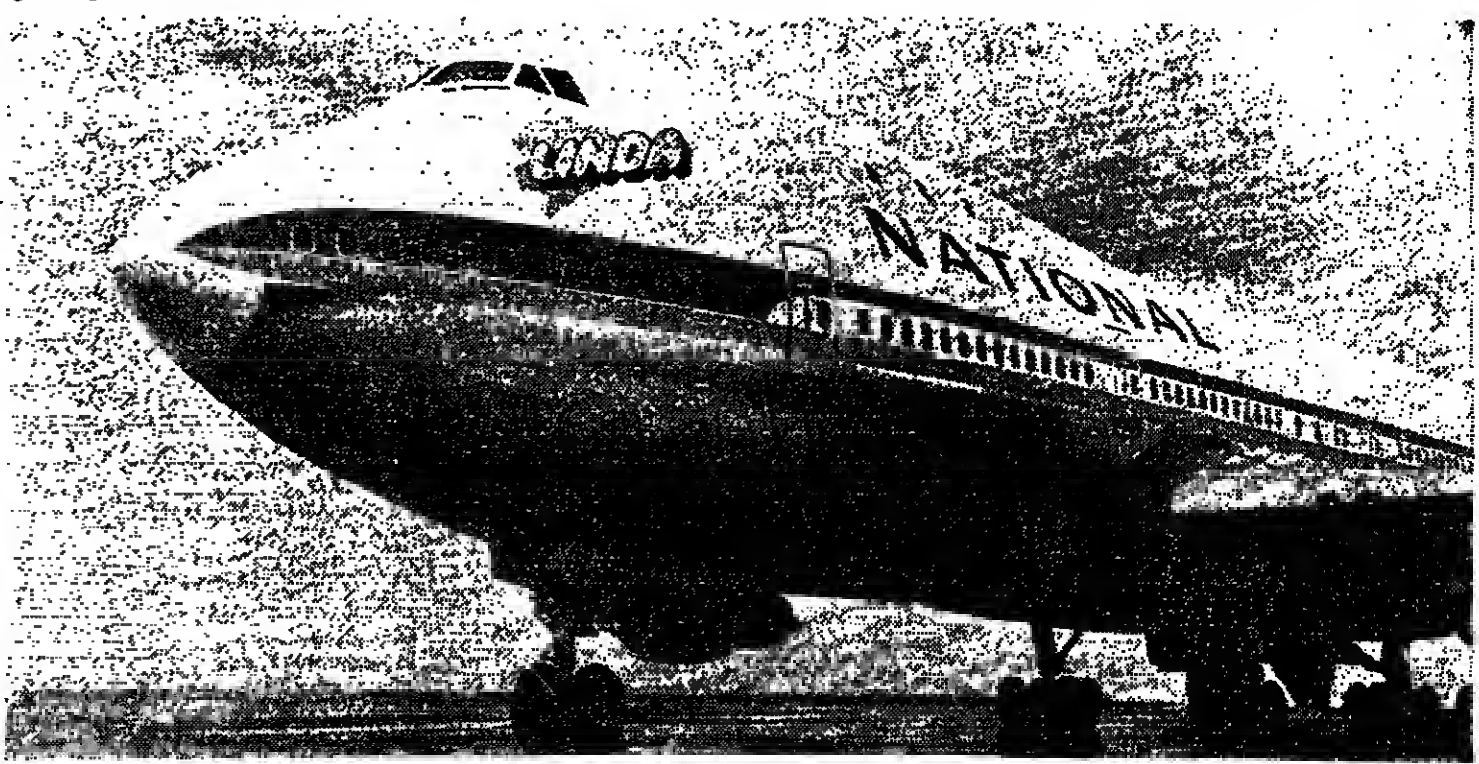
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Truth and the Presidency

"Good evening. I want to talk to you tonight from my heart..." Thus the President of the United States, on April 30 of last year, alerted the American people that he was about to level with them on Watergate, going on to speak of how the office he held was, in his view, "a sacred trust" and one of which he was "determined to be worthy." It was a very moving affair, and it also was—as we now know—fake. Evidently a lot of people think that reading the edited transcripts of presidential conversations of that period, which were made public by the White House last week, represents the ultimate experience in disillusionment and disgust. But we can go them one better—or perhaps we should say one worse. If you have a masochistic streak and a hardy constitution, we recommend that you read those transcripts of private conversations against the concurrent public statements the President was making—and continue to make—to you. The only word that comes to mind is one that is usually "deleted" or "unintelligible" where presidents are concerned, or at the very least "inadmissible." It is lies—systematically, willfully and repeatedly told by the President of the United States.

We are aware that it is in the age-old tradition of politics to exaggerate and to put the brightest possible construction on the most dismal and damaging of events. But Mr. Nixon's stark misstatement of facts with which he was wholly familiar is in another order of things, and it persists. What is so odd about the public response to this phenomenon is that Americans' preoccupation with their new-found legal and constitutional lore has all but blinded them to the implications of what Mr. Nixon has done. After all—one can presumably argue—he wasn't under oath in all those television addresses "from the heart," so how is that either an indictable crime or an impeachable offense? Indeed, the United States as a whole has become so immersed in these aspects of the degradation of the presidency that somehow it is considered "all right" for Mr. Nixon to take to the airwaves, stare the nation in the eye, invoke the sacred trust of the highest office in the land—and then say things he knows to be utterly false.

How many times has Mr. Nixon told you now that on March 21 of 1973, upon learning for the first time of the involvement of members of his administration in the Watergate burglary and cover-up, he ordered the bearer of the news, John Dean, to prepare him a full written report of the facts and that John Dean never did so? It was, he informed us last May 22, a key part of "an intensive effort of my own to get the facts and to get the facts out." Well, as the transcripts of the period show, March 21 was not the first time Mr. Nixon learned of his aides' involvement, and the subsequent efforts he made could hardly be called fact-finding missions. The so-called Dean Report, as planned and discussed by the President and Dean and Haldeman, Ehrlichman and Mitchell, was to be a cooked up, incomplete document which the participants in the meeting all but wrote in advance of Dean's sojourn in Camp David. As the ineffable Mr. Ehrlichman put it at one of these planning sessions, "You have to bottom your defense, your position on the report. And the report says nobody was involved, and you have to stay consistent with that." How did he know what the unwritten report would say?

In fact, the transcripts of the period suggest that anything but an "intensive effort" to "get the facts and get the facts out" was under way. "What the hell does one disclose that isn't going to blow something?" Mr. Nixon asks at one point, and the substance of his remarks has mainly to do with cover-up and what is called "damage limitation" in the world of arms control. He and his colleagues move easily and habitually back and forth between the hard practical language involved in figuring out who will be thrown over the side to save the others and the weird parody language of the public statements they will subsequently make. As in:

Ehrlichman: And I am looking to the future, assuming that some corner of this thing comes unstuck, you are then in a position to say, "Look, that document I published [the so-called 'Dean Report'] is the document I relied on, that is, the report I relied on."

President: This is all we knew.

Haldeman: That is all the stuff we could find out—

Ehrlichman: And now this new development is a surprise to me—I am going to fire A, B, C, and D, now.

And again:

Ehrlichman: You could say this. You could say I have never had a communication with anybody on my staff about this burglary—

President: Therefore—

Ehrlichman: Or about Segretti, prior to—

President: Segretti, Segretti is not in this court so that is no problem.

Ehrlichman: Well—then alright—

President: I had never had any—

Ehrlichman: Since I had no communication with anybody on the White House staff about this burglary or about the circumstances leading up to it, there is no occasion for executive privilege in this matter.

President: With regard to this, I want you to get to the bottom of it. So there will be no executive privilege on that. On other matters—

Haldeman: And that takes you up to the June 17th. What do you do after June 17th?

President: Use the executive privilege on that.

These were not truth-seeking sessions or anything remotely like them. They were coaching classes. They were script writing sessions. They were dress rehearsals for further deception.

Speaking of his March 21, 1973, conversation with Dean, the President last August solemnly informed the public that Dean on that occasion had told him that:

"Funds had been raised for payments to the defendants, with the knowledge and approval of persons both on the White House staff and at the re-election committee. But I was only told that the money had been used for attorneys' fees and family support, not that it had been paid to procure silence from the recipients."

Early this March, however, when the tape of that conversation seemed likely to become public, the President, equally solemnly informed the people of the reverse. On that same day and in that same conversation, he now said, Dean "told me that payments had been made to the defendants for the purpose of keeping them quiet, not simply for their defense." Questioned about this revelation a short while later, the President explained that what Dean had really done was to "allege" that hush money payments had been made, so that the President could hardly be sure enough of the allegation to refer it to the Justice Department. But now, as the transcripts tell us, Mr. Nixon did not receive the information as an "allegation" at all. He accepted it as a fact and repeatedly suggested that Dean had better make sure the next installment got out on time to keep the menacing Howard Hunt quiet.

There are throughout these transcripts, even in their edited incompleteness, endless examples of this sort of presidential duplicity in dealing with the public, and his very description of what they say, now that they have been published continues to vary sharply from the evidence of our eyes. How are we to account for this? What depth of cynicism must a public man draw on to be able to issue printed material and simultaneously say to himself something it does not? Maybe Mr. Nixon himself believes that anything not said under oath, anything that does not qualify technically as an indictable crime or an impeachable offense in the narrowest construction of that phrase, can be perpetrated by him with impunity. Maybe he thinks the public is too dumb to notice or too insensitive to care or too trusting of a man who holds the office he holds to question his public utterances—especially when he looks us in the eye and says, in effect, Trust me—I am your President.

It is that trust—that reservoir of respect for the office and that unwillingness to believe that a President would systematically deceive—that Mr. Nixon has so exploited and abused. He continues to do so. As a consequence, whatever his personal political fate turns out to be in the next several months, we will be picking up the wreckage of the American presidency for years to come.

THE WASHINGTON POST.



Atlantic Alliance Views

Multinational Firms: Responsibility

By Emilio G. Collado

NEW YORK.—There is increasing concern about the role of multinational corporations in the world economy, and particularly about their influence on the national economic, social, and cultural fabric of the countries in which they operate.

National governments are considering how best to "control" the large multinational enterprises and many countries have introduced a variety of restrictions governing these companies' activities. At the international level, a major UN study of the broad impact of multinational corporations on economic development and international relations is underway.

A number of businessmen, academicians, and labor leaders from the United States, Western Europe and developing nations have presented their views to the UN "Group of Eminent Persons" appointed to study the multinational corporation and recommend appropriate policy actions. The Organization for Economic Development and Cooperation, whose membership consists of industrialized countries only, has also embarked on a broad-scale study of the multinational corporation. The Business and Industry Advisory Committee (BIAC) to the OECD representing the business community from OECD countries, is in touch with OECD concerning the various aspects of the study. BIAC will cooperate with OECD as this study progresses, by providing its advice and assistance, where appropriate.

Responsibility

A major aspect in assessing the behavior of multinational corporations is how they view their responsibilities to society. Generally, multinational corporations see their most important responsibility as conducting their particular business well—by producing a high-quality product or service efficiently and offering it at a reasonable price. A second level of responsibility is to ensure that the indirect impact of business operations is consistent with national goals—for example, with respect to protecting the physical environment, reducing social inequities, and improving labor skills. A third level of responsibility concerns efforts to enhance the broader social environment in countries in which the corporation has operations, for example, by providing support for programs in health and education, community development, and national cultural activities. Multinational corporations generally accept these three levels of responsibility not simply because it is "the right thing to do," but to a great extent because such behavior promotes successful long-term operations in foreign host countries.

Since multinational corporations have unlimited resources, it must choose carefully among the many investment opportunities which arise. In making long-term investments abroad, multinational corporations are vitally concerned that the basic "rules of the game" affecting these investments will remain relatively stable, or at least predictable, over time.

Although conflicts with governments have not been common, the potential for conflicts in the goals of multinational corporations and governments is a cause for serious concern, particularly among host countries. This concern reflects a number of factors. For example, the large size of many multinational corporations has been cited as evidence of power over national economies. However, most of the wealth of multinational corporations consists of fixed assets, which cannot be summoned to bring pressure to bear on either individual currencies or governments.

The many examples of unilateral government actions—imposed production and export quotas, price controls, enforced self-outs, and in some cases expropriations—and the accommodations made by multinational corporations, do not indicate that global size entails substantial power. The success of multinational corporations in operating in many countries over long periods largely reflects their ability to adapt to—no escape from—the national requirements and goals of individual host countries, while continuing to carry on effective business operations.

There are a number of positive actions which both corporations and governments could take to reduce, if not eliminate, potential sources of conflict. First, to the extent that tax policies may distort international investment de-

This is another article of a series published in the International Herald Tribune on the problems and differences of Europe-U.S. relations. The series is being coordinated by Joseph Godson, who organized the Europe-American Conference in Amsterdam last year.

cisions, such distortions should be reduced. This suggests further intergovernmental efforts to achieve the following: eliminate discriminatory tax treatment of foreign investment by host countries; prevent international double taxation (where multinational subsidiaries are fully taxed by both host and home country governments); and bring about greater harmonization of national tax policies.

Second, it has been alleged that multinational corporations are able substantially to reduce their total tax burdens by adjusting the prices charged for goods and services transferred among their various affiliated companies. The extent of distortions in this area has been greatly exaggerated. In general, multinational corporations follow normal commercial practices in their interaffiliate transactions, and prices charged realistically reflect the market values of the goods or services transferred.

"Manipulation" of transfer prices is usually neither feasible nor desirable, for a variety of reasons. Moreover, the penalties for using improper transfer prices are severe. When a government decides such prices are inappropriate, the unilateral imposition of tax liabilities results in double taxation for the multinational corporation.

It is clear that multinational corporations ought consistently to reflect arms-length or market prices in their interaffiliate transactions. On fact, current U.S. law requires U.S.-based multinationals to do this. On the part of governments, it would be desirable to reach international agreement that arms-length or market prices for interaffiliate transactions be used to determine taxable income, and thereby avoid unilateral government decisions to tax income which has already been taxed by another government.

Code of Conduct

More generally, multinational corporations might agree on a voluntary "code of conduct" describing broad principles of acceptable behavior in various areas. This would undoubtedly contribute to a better climate of understanding for the corporations generally. Such an investors' code could broadly support positive adaptations to the host country's social and economic goals, and condemn certain undesirable forms of behavior. The International Chamber of Commerce has made a useful contribution to developing such principles for behavior.

Concerning government policies, full international coordination or harmonization of national policies affecting multinational corporations is probably not feasible, and in some cases not desirable, for individual countries. However, there are some policy areas in which greater coordination is possible, and would result in substantial benefits to multinational corporations and governments.

Beyond the area of tax policy, greater international coordination

of national policies toward foreign investment would also be useful. However, regional harmonization of host-country policies for the purpose of substantially restricting the activities of foreign investors may backfire, if the adverse business climate causes multinational corporations to undertake alternative investments outside of such regions.

On the other hand, multinational corporations would be significantly encouraged to undertake new investments in developing nations if they had a greater assurance that their operations in these countries would not be subjected to substantial new forms of discrimination or controls once their facilities had been constructed.

Reduce Risks

Thus, a measure of international agreement on some maximum extent of discrimination or restrictions affecting foreign investment in various policy areas—such as taxation and foreign exchange remittance policies, for example—could substantially reduce the investment risks perceived by multinational corporations. As the discussion continues among investors and governments, elements of a broad intergovernmental agreement could evolve and be available for individual governments to endorse voluntarily.

An intergovernmental agreement could also include a broad commitment by host governments to submit foreign investment disputes to the international conciliation and arbitration facilities of the World Bank or ICC. Such a commitment would dramatically improve the climate for investment in these countries, and would avoid some of the "confrontations" which have characterized past investment disputes.

Mr. Collado is chairman of the Business and Industry Advisory Committee to the OECD and executive vice-president of Exxon.

Exit Willy Brandt

A Touch of Class

By James Reston

WASHINGTON.—The political instability of the free world is getting a little scary. In recent days and weeks, President Pompidou of France has died, Prime Minister Heath of Britain has been defeated, and now Chancellor Willy Brandt of West Germany has resigned. The loss of Brandt, even if it is only temporary, is particularly sad.

Brandt is what we call in America a "classy guy." That is to say, he was not merely a manager or a technician of politics, but a leader in the old-fashioned sense, tough and tender, but with a sense of humor and a sense of history. He may be the best political leader we have in the Western world, and it's too bad to see him quit, but it's not surprising.

"Class," in American slang, means style of manner or conduct. Hemingway thought of it as something deeper than that, a way of behaving well in difficult circumstances, or as he called it, "grace under pressure." This was the way Brandt looked from the outside. Maybe he fooled us. Inside, nobody knows, least of all reporters, for we see politicians only when they are on display or on guard. But Willy, even if he is being wily and retreating only to advance, at least took his chances and risked his job in order to save his honor.

Found a Spy

They found a spy from Communist East Germany in Brandt's office. The facts were not in dispute. The spy was a trusted aide to the chancellor and admitted his loyalty to the Communists. Brandt didn't hire him and the West German counterespionage officials didn't expose him, but Brandt took responsibility for the offense. He didn't know what was going on, he said, but he should have known, so he resigned. It is interesting to compare Brandt's reaction to scandal and President Nixon's. And also to compare the parliamentary system of democracy in Europe with the presidential system of democracy in the United States. Brandt and Nixon both said that they had to take "responsibility" for the scandals in their administrations, but Brandt felt that if he was "responsible" he had to get out, and leave the issue to the people, while Nixon felt he had to stay on.

But this is much more than a question of style and manner. Brandt was a key figure in the politics of the world. He fought for the unity of Western Europe, partnership with the United States and compromise with Moscow and Communist East Europe. It was a difficult, almost impossible challenge, but somehow he managed to keep the American troops in West Germany, while reconciling the old German conflict with Russia, and balancing the political forces at home.

When France argued against Henry Kissinger's offer of an Atlantic "partnership" with the United States, it was Brandt who insisted on maintaining the "old alliance" and got the funds to

keep the American troops in West Germany.

Likewise, it was Brandt who insisted that West Germany must come to terms with the Soviet Union, Communist East Germany, and the Communist states of Eastern Europe. He also made his peace with Secretary of State Kissinger who didn't like the West German "opening" to the East, but who came to believe in Brandt and urged him to go to Cairo and help resolve the savage conflicts of the Middle East.

So the West is weaker now without Brandt, and in some ways without Heath in Britain. Heath was for the unification of Europe, and his successor, Harold Wilson, is not so sure.

All this leaves the free world in a state of political instability. The President of the United States is facing the possibility of impeachment. The prime minister of Britain is trying to govern without a majority in the House of Commons.

France has broken the Gaullist tradition and is staggering new between a government of the right and the left. Portugal has thrown off 80 years of dictatorship and is in a revolutionary situation, with the Communists emerging as the strongest party. Spain is waiting for the death of Generalissimo Francisco Franco, now 82, with his wife, his daughter, and his granddaughter said to be exercising critical political influence in Madrid.

Elsewhere in Europe, minority governments are trying to maintain control, except in Greece, where the generals are in charge, and of course Italy is trying to prove that governments are not really necessary.

Willy Brandt understood all this and used his philosophy and his eloquence to try to hold the West together, to unify Europe, compromise with Moscow, and retain the Atlantic partnership with the United States.

Yet he felt he had to resign when he was compromised at home. He was "responsible," he said, for his staff and they let him down, so he got out and put the decision to his parliament and the people.

A New Coach

The parliamentary system of political responsibility in Canada and Europe is the same as the baseball, football, or basketball system of responsibility in the United States. If the team loses and winds up in trouble or in the cellar, you get a new coach or a president or a prime minister. You don't deal with the facts. You don't ask whether the leader is a nice guy, with a long contract and a pleasant wife. Or whether he wanted to win but lost. You get yourself a new leader maybe worse than the old one, but you make a new beginning. This is what Willy Brandt has done. He got it a trouble, so he got out. It is a hard rule, but not too bad. He put his honor ahead of his job, which is what is meant by "class." And the guess here is that he will be back in power before too long.

Fantasy From the White House

By Rowland Evans and Robert Novak

WASHINGTON.—Suspensions that the Nixon White House is dangerously out of touch with reality in its handling of the impeachment issue reached a new high just before the President's April 29 televised address announcing the release of an edited transcript of 46 taped White House Watergate-related conversations.

In an elaborate presentation in the Cabinet Room, undisclosed until now, Gen. Alexander Haig, the White House chief of staff, played a segment from one of the tapes to astonished members of the Nixon cabinet.

"It was a fantastic meeting," one official told us. Haig said that release of the 1,308-page transcript would finally prove the President's innocence in any Watergate cover-up role. Then, after a thumbnail description of what Mr. Nixon would tell the television audience, Haig flicked the playback switch on White House tape machine, turned up the volume and let the tape run for two minutes. He did not identify the tape.

Secretary of the Treasury George Shultz, wearing his last day in office, sat stony-faced, arms across his chest, while the Nixon cabinet was treated to what one called "a series of unintelligible screaming noises." Haig explained that the tape in question had been "prepared" by White House technicians for maximum audibility, then said that anyone could understand why White House secretaries "have been climbing the wall around here" transcribing the tapes.

Around the table there was stunned silence. One cabinet member whispered a question about the release of the tapes: "Why didn't they do this months ago?" But Haig himself was asked no leading questions. After switching off the tape, Haig told each cabinet member to "make up your own mind" about the President's innocence and if they agreed he was innocent to get out around the country and make the President's case.

That cabinet meeting, with the President himself not there, marked only the second time the cabinet has been invited in ad-

vance of a Nixon Watergate statement. The first was April 30, last year, just before Mr. Nixon fired H.R. Haldeman, John Ehrlichman and John Dean 3d.

On that earlier occasion, Mr. Nixon's desperate hope that he had reversed the Watergate tide proved disastrously wrong. Yet the experience of one failure after another to get out from under Watergate seems to have made only slight impact on Richard Nixon's sense of reality.

Thus, when he flew west to Arizona and Washington State last Friday, the President was described by Republican politicians who accompanied him as "euphoric" from the impact of his April 29 speech and the release of the Watergate transcripts. Mr. Nixon talked animatedly about the fall campaign and how much he wanted to get around the country to help Republican candidates.

"He must not be reading the newspapers," a leading Nixon supporter in Congress said later. "This appearance inside the White House of being out of touch with reality, moreover, led to major confusion about the President's decision on the release of new Watergate tapes to special Watergate prosecutor Leon Jaworski. In separate television panel shows on Sunday, both Haig and James St. Clair, Mr. Nixon's Watergate lawyer, proclaimed no more Watergate tapes would be turned over either to Jaworski or to the House Judiciary Committee."

Then on Monday, St. Clair's request for a postponement of court action on Jaworski's subpoena for 64 more Watergate-related tapes convinced the prosecutor's office that a deal was in the works.

Examining the postponement federal Judge John J. Sirica said its purpose was to give St. Clair more time to arrange "possible compliance" with Jaworski's subpoena. The apparent reason: St. Clair had concluded that public and political pressure to turn over the 64 new tapes, all involving conversations on the main Watergate case from June 23, 1972, to June 4, 1973, would be irresistible.

But one day later, St. Clair made another astounding reversal, reiterating the original White House rigidity on no more Watergate tapes for Jaworski or the House Judiciary Committee. The reversal restores and strengthens the White House hard line as it is certain, with Jaworski's subpoena, that the House Judiciary Committee behind a House subpoena. It also appears to assure a historic court case which, unlike the similar confrontation last fall when Mr. Nixon backed down, could lead to a Supreme Court decision and constitutional crisis.

In short, the extraordinary tape playback for Mr. Nixon, cabinet, designed to mark an emergency to high ground, was only one more ominous shadow of the unreality pervading his presidency. It marked a new high in fantasy.

In the International Edition

Seventy-Five Years Ago

Fifty Years Ago

May 9, 1899

PARIS.—With the publication at Pretoria of correspondence between the British Colonial Secretary and the government of the Transvaal Republic, the crisis in the South African Republic may be regarded as having reached its acute stage. It must be confessed that this publication, which looks as if it had been sprung upon the British government, is not in keeping with diplomatic usage, which requires that no correspondence should be published by one party without the consent of the other.

May 9, 1924

PARIS.—Leading Turks have been forced to the conclusion that the harem in the 20th century has outlived its destined function in the Levantine social state. Polygamy as a legally sanctioned institution is passing. As an unsanctioned practice it will doubtless endure in Turkey, as it has in other countries. But the harem is too costly for these rapid days. Furthermore the great wave of opinion in favor of feminine emancipation is reaching into all parts of the world, even the ancient East.

Rough Soccer

Brian Glanville's report of the European Cup semifinals (featuring Atletico Madrid's rough play) is the most biased and one-sided story (JHT, May 24) I had ever read. The famous sports commentator seems to forget Spain's Old Trafford battle, not to mention the vandalistic invasion of Barcelona by the Glasgow Rangers supporters nearly two years ago.

Congratulations for your neutrality, Brian!
JOHN M. HERNANDEZ.
Barcelona.

—1974—	Stocks and Bonds	P/E	S/S 100% High Low Last	Net Ch'ge	—1974—	Stocks and Bonds	P/E	S/S 100% High Low Last	Net Ch'ge	—1972—	Stocks and Bonds	P/E	S/S 100% High Low Last	Net Ch'ge
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Danish Tax Increase Would Curb Imports

COPENHAGEN, May 8 (AP)—The Danish government today proposed a series of tax measures that would have the effect of sharply reducing the country's imports. Some economists said the proposed increase of 10 percent in sales and other indirect taxes might have an effect on imports equal to that expected in Italy under the Rome government's import control program.

Daimler Net Edges Higher During Year

STUTTGART, May 8 (AP-DJ)—Daimler-Benz reported today that net profit edged up last year to 277 million deutsche marks from the 275 million DM earned in 1972.

World sales rose 10.7 percent to 15.5 billion DM from 13.9 billion the year before.

III Profit Rises

TOKYO, May 8 (AP-DJ)—Net profit rose 8.4 percent at Isuzu-Jawaja Heavy Industries in the half year ended March 31, the company reported today.

Banks' Earnings Dip

In other reports today, three large Japanese banks said their net earnings declined in the half year ended March 31.

U.K. Oil Deposits Seen Larger Than Forecast

LONDON, May 8 (AP-DJ)—"Substantial" improvements on estimates of Britain's North Sea oil and gas reserves will be contained in a report to be made to the government shortly, Lord Balogh, Minister of State for Energy, said today.

Paris Bourse Trading To Be Resumed Today

PARIS, May 8 (AP-DJ)—Trading will resume at the Paris Stock Exchange tomorrow following a favorable vote on latest management proposals.

How Can You Reduce U.S. Taxes LEGALLY

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Italy, Russia Sign Barter Accord on Oil

Sources Report Deal Is Worth \$957 Million

ROME, May 8 (AP-DJ)—Italy's hydrocarbons agency has signed an agreement to supply the Soviet Union with six petrochemical factories and approximately 24 heavy-duty gas pumping stations, the state-owned group announced today.

Officials of the agency, Ente Nazionale Idrocarburi (ENI), declined to put a value on the contract, but industrial sources said it could reach more than 800 billion lire (about \$957 million).

This would be twice the size of the largest previous such contract, with Fiat for the auto factory at Togliattigrad and with Montedison for a series of chemical plants.

The pact, signed with the Soviet Ministry of Foreign Trade, is a barter arrangement. ENI will be paid mostly in crude oil, natural gas and products of the petrochemical plants.

However, industrial sources close to ENI said this did not imply that Soviet sales of crude and natural gas to Italy would increase. These sources believe that the Soviet Union needs these raw materials too much itself to sell them to the West.

The plants, to be built by ENI's Snam Progetti division, are to produce ammonia, urea, methanol, ethylene, and ethyl oxides. Their location has not yet been decided.

A large share of production will be sold back to Amic, which is 70.4 percent controlled by ENI.

No indication was given of the capacity of the plants.

The gas pumping stations will be used on the rapidly expanding natural gas lines that the Soviet Union is building into Europe from Siberia.

Danish Move Shocks EEC, New Blow to Unity Is Seen

By David Hawthorth

BRUSSELS, May 8 (AP)—The European Commission was shocked today to learn that the Danish government has proposed the introduction of heavy taxes on the importation of cars and consumer durables.

These proposals were put forward in the Danish parliament less than twenty-four hours after the European Economic Community finance and agriculture ministers had failed to agree here on a united response to the 50 percent deposit scheme on imports imposed by the Italian government.

Both ministerial meetings struggled hard last night to find a community consensus on how the other eight EEC member countries should reply to what they regarded as a direct assault by the Italians on EEC principles. By the end of the meeting, neither group of ministers had agreed to anything except acquiescence to the Italian measures.

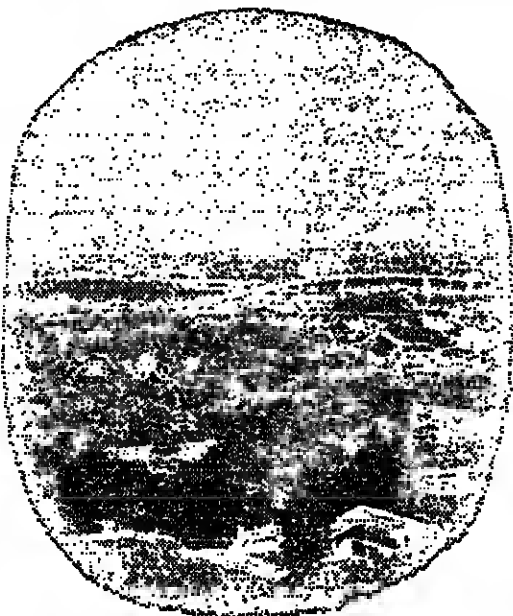
What has annoyed EEC officials is that the Danish Foreign Minister, Ove Guldberg, set through these disagreements without mentioning that his own government had import restrictions in mind. He is reported to have been as censorious about the Italians as the other ministers.

Though not as extensive as the Italian restrictions, the Danish government's move has been received here as yet another blow to the EEC's principles.

Denmark's trade deficit currently stands at \$1.3 billion, so there is some understanding in community circles that the tax proposals are necessary. But the main purpose of yesterday's meetings was to find a way of preventing the Italian measures from setting a precedent which could be used as an excuse by other EEC member nations which also have critical balance-of-payments difficulties.

As with the Italian measures, the community has no alternative but to accept what the Danish government proposes. Technically speaking, the Danish government has to ask EEC "permission," but in practice there is no way in which the community can prevent the Danish move. The "written procedure" required is nothing more than a formality.

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FINANCIAL NEWS AND NOTES

U.K. Vehicle Output Recovers

British vehicle production has made an almost complete recovery from the effects of the three-day working week during April, figures from the Department of Industry show. Car output totaled 122,000, only 3 percent down in the corresponding month last year. Production of commercial vehicles amounted to 29,000, about 7 percent lower than the year-ago figures. However, the seasonally-adjusted figures do not show such an optimistic picture. In normal circumstances, production last month should have been rather higher than it was. But considering the shortages of raw materials, especially of steel, recovery from the emergency appears to be going quite well, the department says.

Eastern Expects First-Half Profit

Eastern Air Lines chairman Floyd Hall expects the company to report a first-half profit but declines to predict a profit for the full year because of steadily rising jet fuel prices. In 1973, the first half, the company reported a loss of 47 cents per share. The airline made \$4.7 million in profits in both March and April and now has a profit in the four months of about \$7 million. Mr. Hall also says he doubts that the airlines will seek additional fare hikes following the 6 percent domestic increase approved by the Civil Aeronautics Board last month. The industry is concerned that it is "bumping the

limit" on fares to the point that further increases would depress traffic, he notes.

RCA Looks for Improvement

RCA Corp. looks for the second half to be "substantially better than the first half," says Robert Sarnoff, chairman. Declining to forecast results for the full year, he says the company is "too early" to tell whether it will be up, level or down slightly. RCA reported on April 11 a net high of \$1.08 billion in sales for the first quarter, a 7 percent increase over a year ago, but net income dropped 17 percent to \$34.3 million. The company expects its foreign operations to play an increasingly important role in overall results, and is planning to triple its capital expenditures abroad.

Phillips Finds Oil in Indonesia

The Indonesian state-owned Pertamina Oil Co. and the Phillips Petroleum Corp. have struck oil in the Gulf of Benau near the East Indonesian island of Irian Jaya. The find has a production capacity of 12,000 barrels of crude oil a day and is the first offshore discovery in the area. The oil has a low sulphur content, a spokesman reports. The Phillips group, which has signed a production-sharing contract with Pertamina, is a joint venture with Continental Oil of the United States and Agip of Italy. Phillips holds 50 percent of the shares and the other two companies have 25 percent each.

Just as Industry's Prospects Brighten

Clyde Shipyards Fear State Takeover

By Terry Robards

PORT GLASGOW, Scotland, (NYT)—The threat of a government takeover has suddenly emerged for the nation's oldest heavy industry—the yards on the River Clyde here that built the ships with which Britain once ruled the waves.

If it happens, nationalization will come just as prospects for the shipbuilding industry are brightening, because of the huge quantities of oil that have been discovered in the North Sea.

"We have imponderable hanging over us—like nationalization," said Ross Belch, managing director of Scott Lithgow Ltd., one of the few remaining shipbuilding companies with a full order book and a bright future if it could remain under private control.

"If this government wins a majority in the next election," he said recently, "we are pretty close to the top of the list. We don't know what form nationalization will take, but it never solved the problems of any industry."

Last week, at a private meeting in London, the new Labor government is said to have told the shipbuilders that escaping nationalization was out of the question, assuming the Labor party wins a solid majority in the election that almost everybody assumes will occur within the next six months.

At present, the government commands a minority of House of Commons votes, which would prevent it from pushing through legislation as controversial as nationalization of shipbuilding.

Although details of the London meeting are sketchy, it reportedly took place with Anthony Wedgwood Benn, the new Secretary of State of Industry, whose pronationalization leanings are well known. Here in Port Glasgow, about 20 miles from Glasgow in eastern Scotland, the assumption is being made that nationalization is on the way.

Although they still talk about the launching of the Queen Mary here in 1935, the halcyon days of the Scottish yards are past. Japan and other countries have taken over as the world leaders in shipbuilding. One of the motives for nationalization is to prevent a further decline of the industry in Britain.

Ironically, the people here seem to feel the outlook for business is fairly good, many new kinds of vessels being required for offshore exploration and development. The shipyards are adjusting to these new demands.

Scott Lithgow, for example, has traditionally built warships, submarines, trawlers, bulk cargo carriers and, more recently, giant oil tankers. Now it has \$30 million in orders for ships directly related to oil exploration and servicing.

The government has not made clear what its plans for the shipbuilding industry would be under nationalization, so Scott Lithgow and its competitors will continue to turn out ships but will not be adding to their capacities or planning for the longer-term future.

To Nationalize Ports

LONDON, May 8 (Reuters)—The British government intends to bring all commercial ports and cargo handling facilities into public ownership and control, Transport Minister Fred Mulley announced today.

He told a questioner in Parliament that there would be discussions with those concerned about the form and scope of the legislation.

The minister gave no indication when the proposed changes would be presented.

Ports that would be affected by this kind of plan would include those at Liverpool, Dover and Felixstowe.

State-owned British Rail owns

harbor facilities at Harwich, Felixstowe, Falmouth and others mainly running ferry services, while some ports at Southampton, Cardiff, Hull, Lowestoft and Plymouth, come under the control of the British Transport Docks Board.

Most of the midday rise was attributed to bargain hunting, but in general demand for stocks continued to be restrained by recent predictions that interest rates are headed higher over the near term.

The Dow Jones industrial index rose 3 1/2 to 250.94, but declining issues outnumbered advances about 725 to 620.

Volume totaled 11.85 million shares, compared to 10.71 million yesterday.

The price of gold shares appeared to take a cue from a big drop in the price of bullion in Europe as Dome Mines lost 3 1/2 to 149, Homestake Mining 3 1/2 to 72 1/2, Campbell Red Lake 3 3/4 to 71 1/4, and ASA 1 3/4 to 73 1/2.

Combustion Engineering, which did not trade yesterday and opened late this morning, plunged 28 5/8 to 46 1/2 on nearly

Rate of Inflation in U.S. Seen Rising After Lull

WASHINGTON, May 8 (Reuters)—Cost of Living Council director John Dunlop said today that the rate of inflation will begin to turn up again in the fourth quarter after declining through the second and third quarters.

"We will not have two-digit inflation by the end of the year, but we will have a turn and the rate of inflation will go up," he said.

Mr. Dunlop noted that some private forecasters, whom he declined to identify, anticipated that the inflation rate would be at an annual rate of 7.8 percent in the second quarter, 8.5 percent in the third quarter, and 8.8 percent in the fourth quarter.

While agreeing with the trend that they outlined, Mr. Dunlop indicated that he expects that the rates of inflation will be somewhat higher. However, he declined to be more specific.

Meanwhile, in Detroit, Ford Motor raised car and truck prices by an average of 2.4 percent—\$113 to offset cost increases including new steel price increases effective this month. The new car prices are effective today.

The company said its price increases are consistent with commitments made to the Cost of Living Council last December, when Ford committed itself, along with General Motors and American Motors, not to increase 1974 model prices again "unless forced to by unforeseen major economic events—such as cost increases substantially above those projected for the balance of the model year."

Mr. Dunlop called Ford's proposed price increase "unwarranted" and said it violates the agreement with the Cost of Living Council to avoid further price rises this year.

Chrysler, which boosted its prices last week, was not part of the pact with the cost council. Ford said that unit costs since November have increased at an average rate of \$36 each month, amounting to a total of \$214 a unit.

In Miami, Dow Chemical officials told the annual meeting that the company will "massively increase the prices" of its products this year because it is experiencing much higher costs.

Company Reports

Boeing
First Quarter 1974 1973
Revenue (millions)... \$414.6 \$30.6
Profits (millions)... 17.6 10.6
Per Share 0.8 0.49

Cerro
First Quarter 1974 1973
Revenue (millions)... \$15.7 \$17.7
Profits (millions)... 4.71 3.67
Per Share 0.59 0.44

Pet
Fourth Quarter (Mar. 31) 1974 1973
Revenue (millions)... \$22.9 \$19.0
Profits (millions)... 5.26 4.36
Per Share 0.75 0.69

Revenue (millions)... \$83.3 \$63.7
Profits (millions)... 20.8 9.65
Per Share 2.93 1.24

United Brands
First Quarter 1974 1973
Revenue (millions)... \$40.8 \$49.3
Profits (millions)... -2.93 1.93
Per Share -0.23 0.13

Prices Mixed in Slow NYSE Trading

NEW YORK, May 8 (AP)—Prices on the New York Stock Exchange surrendered part of a moderate midday gain and finished mixed in quiet trading today.

Most of the midday rise was attributed to bargain hunting, but in general demand for stocks continued to be restrained by recent predictions that interest rates are headed higher over the near term.

The Dow Jones industrial index rose 3 1/2 to 250.94, but declining issues outnumbered advances about 725 to 620.

Volume totaled 11.85 million shares, compared to 10.71 million yesterday.

The price of gold shares appeared to take a cue from a big drop in the price of bullion in Europe as Dome Mines lost 3 1/2 to 149, Homestake Mining 3 1/2 to 72 1/2, Campbell Red Lake 3 3/4 to 71 1/4, and ASA 1 3/4 to 73 1/2.

Combustion Engineering, which did not trade yesterday and opened late this morning, plunged 28 5/8 to 46 1/2 on nearly

333,000 shares, which made it the day's most active stock.

A spokesman for Combustion Engineering called "irresponsible" a published report which suggested that the firm may have taken contractual risks in order to win a series of orders to build nuclear power plants.

Prices on the American Stock Exchange market declined with the index down 1.06 to 87.11.

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April 1974

(Continued on next page)

New York • Sao Paulo • San Juan • Santiago • Vienna

<u>ACROSS</u>		52 Ship directing:	19 Terrible tsar
1 Off the cuff	54 Large water	Abbr.	23 Kind of waist
6 — of bricks	57 What Hawaii	used to be	25 Thought's father
10 Flax or jute	60 Anglican	ecclesiastic	26 Diminished
14 Oregon Trail city	61 Sample for disk	jockey	27 "Christ stopped — at —"
15 Noir or au lait	62 Architect Jones	31 Peace goddess	28 Tamale wrappers
16 Skilled	63 Jeanne Dixon, for	one	29 Power
17 Scholarly quality	64 Arabian port	30 Horsy S. C. city	31 Provides
20 Miss Rand	65 Of a grain	32 Snugly settled	33 Many Scotsmen
21 Louder, in music:		37 Bas-relief's	38 opposite
Abbr.			39 Diving bird
22 Opinions	<u>DOWN</u>	1 Eban	44 Fire starter
23 Troubles		2 Sturdy boat	45 "... ere — Elba"
24 Korean money		3 Legal right	46 Writer Kingsley
26 "Yes, — no bananas"		4 "This — recording"	48 Plane, in France
33 Schooner propellant		5 Comforter	49 Unimproved
34 —, zwei, drei		6 Tooth troubles	50 Hamlet or Canute
35 Anger		7 Art colony of West	51 Heavenly being: Fr.
36 Prude		8 Remote possibility	53 Alas!
40 Fraternal man		9 State: Abbr.	54 Agitated state
41 Tennis name		10 Wash and river	55 Advantage
42 What a ring has		11 Rose's spouse	56 "... unto us is given"
43 Unmistakable		12 Like molasses in January	58 Mountain in Crete
46 Expiates		13 X's	59 Prefix for gram or lytic
47 "This — sudden"		18 — of knowledge	
48 Common Latin word			
49 Turkish city			

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	O	F		L	R
ALGAEFE.....	13	63	Fair		
AMSTERDAM.....	5	41	Cloudy		
ANKARA.....	21	41	Cloudy		
ATHENS.....	21	10	Fair		
BARCELONA.....	22	74	Fair		
BELGRADE.....	14	37	Cloudy		
BELMONT.....	15	39	Cloudy		
BRUSSELS.....	5	47	Overcast		
CAIRO.....	14	57	Cloudy		
CARRO.....	14	63	Cloudy		
CASABLANCA.....	14	63	Cloudy		
COPENHAGEN.....	14	57	Cloudy		
COSTA DEL SOL.....	14	63	Fair		
DUBLIN.....	15	39	Cloudy		
EDINBURGH.....	11	36	Cloudy		
FLORENCE.....	17	63	Cloudy		
FRANKFURT.....	10	50	Overcast		
GENEVA.....	15	39	Cloudy		
HAMBURG.....	5	41	Overcast		
ISTANBUL.....	23	73	Cloudy		
LA PALMAIS.....	28	65	Fair		
LISBON.....	15	39	Cloudy		
LONDON.....	14	57	Cloudy		
LOS ANGELES.....	16	39	Drizzle		
MADRID.....	17	63	Fair		
MILAN.....	18	63	Cloudy		
MONTREAL.....	6	41	Cloudy		
MOSCOW.....	22	74	Cloudy		
MUNICH.....	8	47	Overcast		
NEW YORK.....	13	59	Sunny		
NICE.....	15	63	Cloudy		
OSLO.....	11	36	Cloudy		
PARIS.....	22	31	Cloudy		
PRAGUE.....	12	54	Cloudy		
REIMS.....	11	36	Cloudy		
SOFT.....	14	27	Fair		
STOCKHOLM.....	8	41	Cloudy		
THERYAN.....	21	13	Fair		
TEL AVIV.....	11	36	Cloudy		
TENIS.....	17	63	Cloudy		
VENICE.....	16	41	Cloudy		
VIENNA.....	15	50	Cloudy		
WATSON.....	15	39	Cloudy		
WASHINGTON.....	18	63	Snow		
ZURICH.....	1	43	Overcast		

(Tuesday's readings: O S. Canada at 1200 GMT; others at 1200 GMT.)

[illegible]

PEANUTS

OKAY, LET'S PUT IT THIS WAY...

IF WE MULTIPLY 4 TIMES 4 AND A TIMES 4, WHAT WILL WE GET?

I KNOW WHAT I'LL GET, FRANKLIN...

I'LL GET THE WRONG ANSWER!

I GOT IT.....

NO, WHAP

HE CAUGHT IT!

HE CAUGHT IT!

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WHY ARE YOU STARING OUT THE WINDOW LIKE THAT?

I WAS MARVELING AT THE MIRACLE THAT TURNS GRASS GREEN AND MAKES IT GROW

IF YOU'RE SO INTERESTED IN GRASS—WHY DON'T YOU GO OUT AND MOW IT?

SERVES ME RIGHT! FOR MARVELING AT MIRACLES LIKE THAT

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BREAKFAST

OOPS

PLUP

YOU'RE IN LUCK... IT DIDN'T SPILL!

THAT'S THE SECOND LUCKY THING THAT'S HAPPENED TODAY!

YEAH... UP WHAT'S THE FIRST ONE?

I WOKE UP WITH NO APPETITE

5-4

DON'T LET THAT BULLY, SULLY, SCARE YOU, KID. COME SIT DOWN. DO THEY HAVE BELLY DANCERS IN AMERICA?

YEAH, IT'S A NEW REDUCING FAD.

WHY YOU BLUSH? COME, WE GET ACQUAINTED.

ER... SOME OTHER TIME, SHEBA.

I GOT TO GET AWAY FROM SULLY. YOU TAKE ME TO AMERICA. GET ME JOBS AS BELLY DANCER, EH, KID?

REAL SHEBA GOT TO GO.

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[illegible]

Reviewed by Tom Buckley

FOR a few months after his graduation in 1914 from high school in Ogden, Utah, Bernard DeVoto worked as a reporter on the newspaper there. "Later on," writes Wallace Stegner in this discreet, sympathetic and consistently interesting biography, "warring with the effete and literary in New York, he would belligerently assert his pride in being a 'mere' journalist."

DeVoto's belligerence was legendary, but although he had been an Army rifle instructor in World War I and knew how to throw a punch, he restricted himself to the intellectual's preferred weapons, the tongue for close combat and the typewriter at longer range.

His competence included the expert journalist's willingness to follow where the facts led, ingrained skepticism and the ability to write vivid, straightforward prose, but went far beyond these skills.

His chronicle of the "Wide Missouri," his chronicle of the fur trade, published in 1947, won both the Pulitzer and Bancroft Prizes for history. The awards could just as well have gone to his other major works, "The Year of Decision: 1846," which dealt with the young nation's march to the West, and "The Course of Empire," a study of the Lewis and Clark expedition.

DeVoto also wrote the "Easy Chair" column in Harper's Magazine for 20 years until his death in 1985, served as curator of the Mark Twain Papers, rescuing many of them from bowdlerization and suppression, edited the Stanford University Literature for two years in the 1930s and wrote scores of magazine articles, the first of which was for H.L. Menckens's *Smart Set*.

In "Mark Twain's America," published in 1932, his first major scholarly work, DeVoto demolished the accepted view of Twain as a failed novelist; his creativity crushed by the vulgarity and puritanism of Hannibal and the tress gentility of Hartford during the Gilded Age.

With all the restraint of an Apache taking a scalp, DeVoto demonstrated that Van Wyck Brooks, who had developed this thesis, had based many doubtful conclusions on incorrect data. He went on to argue that Twain was precisely what Brooks had said could not have existed at the time—a native American artist of the first rank—and couldn't resist adding, in effect, that the trouble with Brooks and his followers was that they didn't know anything about America west of the Charles.

"One of the things that Benny DeVoto never did learn all his

life," writes Mr. Stegner, "was the social sense of how much we enough—how far to go in colloquialism among those whoseop only the stiffest king's English how far to go in profanity among those whose mouths had earl been sterilized with soap, how to go in familiarity with reserv strangers or friendly women. how to state his opinions, wh were quick, powerful, and sure without staging them at some one's expense."

The altercation with Brock was partly responsible, Mr. Stegner believes, for the worst dispointment of DeVoto's career, a Phi Beta Kappa graduate o Harvard University, he returns there in the early 1930s to teach part-time and to edit the alumni magazine, which he characteristically transformed into a liveli and disputatious publication.

After a permanent appointment in 1936, DeVoto wrote to an influential friend on the faculty "I'd rather teach at Harvard tha do anything else on earth." I was not to be. Honest and guileless Benny DeVoto proved to be no match for the academic bushwhackers and freeze-dried brainins of Cambridge's drawing rooms. Not only did he fail to ge the post he sought, but also the university made it clear that he had no future there.

Almost painful to DeVoto was his failure as a novelist. While working on his first shortl after his graduation from Harv ard, he suffered a nerve breakdown. For the rest of hi life he suffered from psychosomatic ailments and from period of deep depression and panic the resisted psychotherapy.

He came closest with "We Accept With Pleasure," set in the Cambridge of the late 1920s, and Mr. Stegner suggests that if he had followed his own excellent advice to his students at the Bread Loaf Writers' Conference, putting it through his typewriter again, he might well have succeeded.

Not until the late 1940s did DeVoto abandon the novel. From his bitter experience he withdrew one of his most notable works, "The World of Fiction," an eloquent and accurate examination of the process of creation and the relation between the writer and the reader.

Mr. Stegner, a distinguished novelist and historian himself and a member of the Tribe of Benny," as DeVoto's friends called themselves, from 1939 onwards is at his best when discussing the aspect of DeVoto's career.

"He looked upon himself throughout his life as his own peculiar and malvolent enemy. not to be succumbed to, to be

Solution to Previous Puzzle

SCUR	SCUT	OKIAY
CAUSE	HOLE	ITICA
UNSET	ALMAY	WATER
QAS	BOWL	MARTEN
ALICE	CELE	RAY
OST	OK	WIK
ROMADE	ERA	WAGE
AKALAS	SKREWER	
AIRS	TRS	TANKER
REY	ASAP	ITIA
IAN	SALLY	QUIN

LAS PALMAS, Canary Islands, May 8 (NYT).—American teams finished one-two in both sections of the mixed team qualifying contest in the bridge Olympiad here yesterday afternoon. A neck-and-neck race for the fourth qualifying position in one of the sections resulted in a four-way tie.

The black-section qualifiers for the final to be played Friday and Saturday were Joe Morse of Silver Spring, Md., 132; Mike Cappelletti of Washington, D.C., 118; Tony Trad of Switzerland, 111; Bengt Nygren of Sweden, 110. Two other American teams just failed to qualify, although their scores would have been sufficient in the other section. Alvin Roth of New York and Peter Rendic of San Francisco were tied for 7th with 107.

In the red section there were three tie-breakt qualifiers: Waldemar Von Zedtwitz of New York, 122, and Tubby Stayman of New York who tied with Renato Mondolfo of Italy, 113. Winning the tie-breaker between five teams for the fourth position was Jack Kennedy of Shreveport, La., giving the United States five teams in the final. The unlucky three teams who were tied with Kennedy at 104 but lost the tie-break were led by Orlando Capos of India, Lorenzo Ruinberg of Finland, and G.C.H. Fox of London.

The New York team headed by Alvin Roth and including Barbara Rappaport, Bill and Marietta Passell, and Michael and Gail Moss, pulled into contention on Monday. In an exciting sixth-round match the Passells played a remarkable deal, shown in the diagram.

Mr. Passell's opening bid of two hearts was the Tannery convention, showing five hearts and four spades (this is a modern variation of the traditional convention, which called for an opening of two diamonds on such hands, difficult to bid in standard methods).

Passell immediately had visions of a heart slam. His response of two no-trump asked South to de-

fine distribution further. The diamonds showed a three- or four- card holding in that suit, and consequently a singleton club. The Blackwood convention revealed that all the aces were present and Passell plunged into a grand slam. But he bid it in diamonds not in hearts. He could see a grand slam would fail if the defense could take a trick with the heart queen. Against the seven diamonds might survive the defense held a heart trick.

This assessment proved completely accurate. Nevertheless, a grand slam would have failed. North had been the declarer. He would have led a heart, as the heartless West would have ruffed.

But the accident of the convention made South the declarer and with West on lead there was no defense. The opening club lead was won in dummy, and South ruffed two clubs in hand before drawing trumps.

The ace-king of spades to care of dummy's two heart losers. In the reply North-South reached seven hearts and we doubled and down two trick. The total gain to the Roth team was 2,540 or 31 international match points, the highest score of the tournament.

NORTH

♠ K 9 7 2
♣ A K J 10 7 5
♦ A 6 5
♥ A 8

WEST

♠ J 8 5 4 3 ♠ Q J 10 9 8
♥ 10 9 8 7 6 5 4 3 ♥ Q 7 6 5
♦ 5 4 3 ♦ 6 5
♣ Q J 9 8 3 ♣ K Q

SOUTH (DJ)

♠ A K 7 6 5
♣ A 5 5 4 3
♦ Q 8 3
♥ A

Both sides were vulnerable

The bidding:

South	North
2♥ Pass	3NT Pass
3♦ Pass	4NT Pass
5♥ Pass	7♦ Pass
Pass	Pass

West led the club queen.

